



yesterday
today
tomorrow

past forward

The world is changing before our eyes.

Populations are growing. Incomes in developing nations are rising. Appetites are shifting. Cities are expanding. Farmland per capita is shrinking. Climate change is a growing concern.

With these changes come challenges – **challenges to feed a growing population**, to provide healthier food to developing nations, to produce more on less land, to offer more sustainable energy alternatives. Challenges that require foresight, hindsight and insight to solve.

As the world's largest fertilizer company, PotashCorp plays an essential role in meeting those challenges. We find solutions by looking back and looking forward. Using ancient mineral deposits, we have built a company that helps feed the world today while eyeing future growth. Building on almost 20 years of planning, we're investing now to be ready for coming opportunities. Learning from the past, we operate sustainably to preserve resources for future generations.

By using the past to prepare for the present and future, we are playing our part in a changing world...

yesterday, **today** and tomorrow.

WORLD POPULATION

1950	2.5 BILLION
2007	6.7 BILLION
2050 F	9.2 BILLION

Source: United Nations

Company Profile

PotashCorp is an integrated producer of fertilizer, industrial and animal feed products. We are the world's largest fertilizer enterprise, producing the three primary plant nutrients: potash, nitrogen and phosphate. Among these, potash – the primary focus of our business – delivers the highest quality earnings.

With large low-cost potash operations, plans to significantly expand capacity, and strategic global investments, we have an unmatched ability to meet the needs of North America and growing offshore markets.

Our Strategy

Committed to seeking earnings growth and minimizing volatility, we employ a **Potash First** strategy, focusing our capital – internally and through investments – to build on our world-class potash assets and meet the rising global demand for this vital nutrient. By investing in potash capacity while producing to meet market demand, we create the opportunity for significant growth while limiting downside risk.

We complement our potash operations with focused nitrogen and phosphate businesses that emphasize the production of high-margin products with stable and sustainable earnings potential.





Financial data in this report are stated in US dollars unless otherwise noted.

Our Vision

We seek to be the **partner of choice**, providing superior value to all our stakeholders. We strive to be the highest quality low-cost producer and sustainable gross margin leader in the products we sell and the markets we serve.

We link our financial performance with areas of extended responsibility that include safety, the environment and all those who have a social or economic interest in our business.

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essential nutrients

YESTERDAY, TODAY AND TOMORROW

Each time a crop is harvested, it takes some of the soil's nutrients with it. Fertilizers replace those nutrients so the soil can continue to produce healthy crops.

For more than a century, the application of mineral fertilizer has been instrumental in improving agricultural production throughout the world. Today, fertilizers account for more than one-third of all crop yields.

With growing populations, improving diets and declining per capita arable land, sustainable increases in agricultural production will require maximizing crop yields. This can only be achieved with the proper use of fertilizers.

POTASH AND BALANCED CROP NUTRITION

Balanced nutrition is essential for crops, just as it is for humans. A shortfall in one nutrient lessens the impact of others, resulting in low yields. This is known as "The Law of the Minimum".

For many years, farmers in countries like India, China and Brazil have under-applied all nutrients – particularly potash – and their farms are far less productive than those in North America. Recognizing this deficiency, these farmers are beginning to move closer to scientifically recommended application rates to maximize production.



NUTRIENTS

Potash	K	Nitrogen	N	Phosphate	P
Source Mined from deposits left behind by evaporated prehistoric seas		Source Synthesized from air using steam and natural gas		Source Mined from deposits containing ancient sea fossils	
Uses and Benefits Fertilizer: Improves root strength and helps plants fight stress, disease and injury Enhances taste, color and texture of crops and increases yields Feed: Aids animal growth and milk production Industrial: Used in computer and TV screens, soaps, de-icers, water softeners		Uses and Benefits Fertilizer: Basic building block for proteins and enzymes in all living cells Speeds the growth of plant roots, stalks and vines Feed: Essential to RNA, DNA and cell maturation Industrial: Used in plastics, resins, adhesives		Uses and Benefits Fertilizer: Critical to photosynthesis and other key energy reactions in plants Speeds crop maturity and reproduction and increases yields Feed: Necessary for skeletal development and repair of animal muscles Industrial: Used in soft drinks, food products, metal treatment	



A cocoa bean farmer in Brazil, a key market for PotashCorp.

WILLIAM J. DOYLE, PRESIDENT AND CEO

The successes your company enjoyed in 2007 can be traced back to our visits to China more than two decades ago. That is when the seeds of opportunity for our fertilizer business were planted and where the roots of PotashCorp's long-term strategy took hold.

Particularly vivid are memories of the hospitality and ambitions of our hosts, as we were offered the finest food available in the country at that time. It was abundantly clear that few in China were then able to enjoy the quality of food we had come to expect in North America – a situation the country was eager to remedy. We knew this would be a foothold on which to build our fertilizer business and would have an impact on long-term issues of global food production and human development.

Today when we visit China, **we see people enjoying beef, pork, poultry and fish** that can rival food produced anywhere in the world. This reflects a fundamental shift that is taking hold, most notably among the growing populations in China, India and Southeast Asia. With strengthening economies in these regions, more people have higher incomes and their first opportunity to improve their standard of living – and, specifically, the quality of their diets.

These changing conditions are increasing the demand for crops used for food, animal feed, fiber and, more recently, fuel. With that demand comes a growing need for fertilizer ingredients – especially potash. This has spurred a surge of demand-driven growth for PotashCorp.

After years of patient and steady steps forward, we are now growing by significant leaps. In 2007, we achieved:

- earnings of more than \$1.1 billion, a fourth consecutive annual record;
- record gross margin in each of our three nutrients; and
- a 201 percent increase in our share price.

More importantly, we are operating from a foundation that puts us on solid footing for an extended period of growth and success.

The desire for better food in developing countries is not a fad. People who have been introduced to more nutritious, protein-rich foods will not return to starch-based diets and the hundreds of millions of people still waiting to make this shift will not be denied.

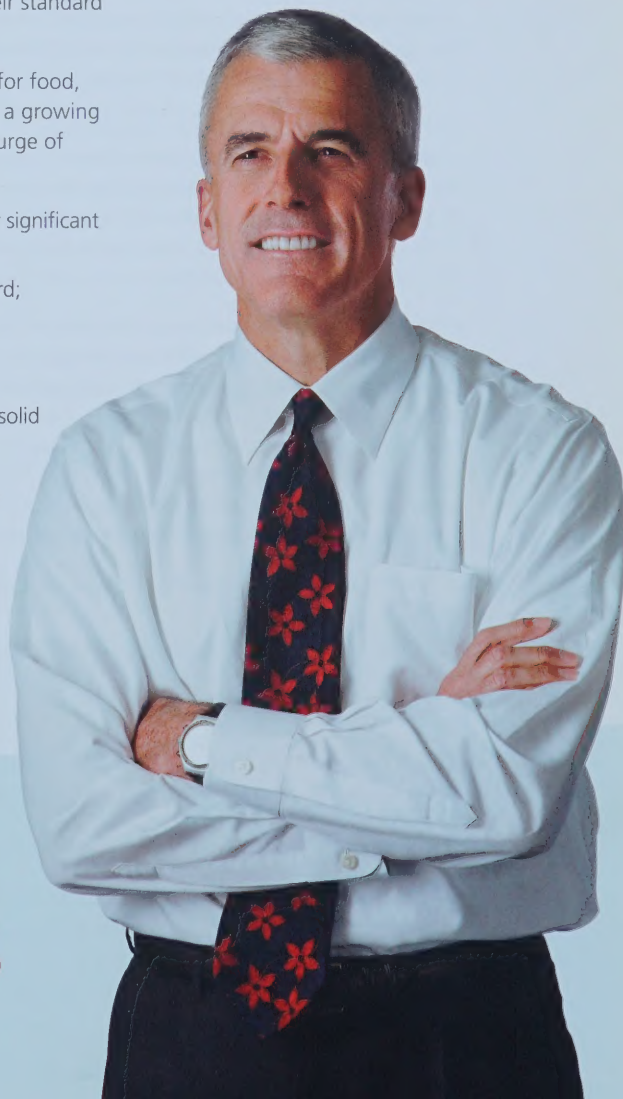
As we recognized many years ago, this represents a significant continuing opportunity for your company – today and tomorrow – and we are well positioned to capitalize on it.

“MORE PEOPLE THROUGHOUT ASIA ARE EARNING ENOUGH MONEY TO BUY BETTER FOOD – A POSITIVE GLOBAL DEVELOPMENT THAT HAS TRANSLATED INTO SUCCESS FOR YOUR COMPANY.”

WORLD MEAT CONSUMPTION

1987	32 KG/PERSON
2007	42 KG/PERSON
2017F	49 KG/PERSON

Source: FAO, British Sulphur, PotashCorp



A PLATFORM FOR GROWTH

The best insight into our changing business environment is found in the markets of cities like Shanghai, Seoul, Mumbai and Jakarta – where people now expect better food – and in agricultural fields around the world.

Farmers are seeking to maximize the productivity of their land and they understand that the best way to do this is to improve the nutrient content in their soil. In India, you will see hundreds of farmers waiting in line for hours to purchase a single bag of fertilizer, with this scene being repeated all over the country.

Even though this use of fertilizer helped the world's farmers grow record crops last year, food supply remains a pressing issue. Production of wheat and coarse grains in the 2007/2008 crop year is expected to fall short of consumption for the eighth time in nine years, straining already record-low inventories. Sustainable increases in food production must be achieved to feed the world's rising population, now and over the long term.

Our life-giving products play an essential role in that productivity. In many regions, farmers have failed to adequately replenish the nutrients drawn from the soil by previous crops. That is one of the reasons corn yields in Asia are typically between one-quarter and one-half those achieved in North America.

While many countries have begun to increase their nutrient applications, they still have a long way to go. On a combined basis, farmers in China, India and Brazil need to more than double potash application rates to attain scientifically recommended levels. Growing economic strength, together with higher prices for crop commodities, is now providing motivation and money for farmers to invest in the necessary fertilizer products.

At PotashCorp, we are preparing to deliver on that need.

BRIDGING TODAY TO TOMORROW

Potash, the foundation of our company, is the ingredient with the greatest growth potential. While all three nutrients have been under-applied in many regions, this has been most pronounced in potash.

Farmers striving to correct that deficiency have pushed the world's potash producers to their limits. As a result, supply is tight – with limited opportunity for our competitors to increase production at existing facilities.

Developing a greenfield mine takes five to seven years and presents many economic and logistical challenges. With no new significant mines announced, we have a pretty clear picture of global supply fundamentals for at least the next five years – and we like what we see. Potash supply is likely to remain tight, and much of the expected new capacity will be ours.

The Potash First strategy that has set our direction for many years has prepared us for these conditions. In a supply-driven market, we patiently and dutifully managed our production to minimize downside. Now we are in a position to demonstrate the power and potential of our potash capacity in a demand-driven market.

In 2007, **we announced plans to invest \$4.5 billion** in expansion and debottlenecking projects at our potash operations. The increases in supply will come on stream incrementally over the next five years, allowing us to capture a significant share of growth in global demand. We expect this will lead to robust returns for your company for years to come.

In addition to our own Canadian operations, our potash-related investments in Jordan, Israel, Chile and China are increasingly valuable – not only for their financial contribution but for the additional insight we gain into emerging markets.

"IN AN ENVIRONMENT OF GROWING DEMAND AND TIGHT SUPPLY, FARMERS NEED US TO PRODUCE MORE POTASH. WITH OUR EXPERIENCE AND ASSETS, WE CAN DO THAT QUICKLY, AT LESS COST THAN BUILDING A NEW MINE."



THE POTENTIAL OF POTASHCORP

As pleased as we are with our performance in 2007, including a record \$912 million in potash gross margin, **we are far from reaching our full potential.**

In 2007, tight supply/demand fundamentals led to significant potash price increases, with global spot markets nearly doubling. While we captured a portion of the benefit, rapidly rising ocean freight rates and a strengthening Canadian dollar had a noticeable impact on our performance. As a result, our growth was driven more by volumes than by margins for much of the year. By the third quarter, however, higher prices began to take hold and we expect the combination of greater margins and volumes to drive our business in 2008 and beyond.

In addition, volume increases reduce our per-tonne fixed production costs and mining taxes, further expanding our earnings. Our investments in offshore potash companies enhance our results even more, as these businesses benefit from the same market conditions and are expected to deliver increased earnings.

Our strength in potash is complemented by world-class assets and improving fundamentals in nitrogen and phosphate, which combined to contribute \$969 million in gross margin in 2007. Rising demand for nitrogen tightened the market at the same time as higher ocean freight rates and European gas prices added pressure by diverting trade from the US market, increasing our nitrogen margins. We continued to generate significant nitrogen gross margin from our facility in Trinidad, with its lower-cost gas and easy access to the United States.

In phosphate, rising demand for fertilizers tightened markets while world prices for rock and sulfur inputs increased substantially, benefiting producers like PotashCorp with their own rock and lower sulfur costs. In addition to our strength in feed and industrial

phosphate products, we capitalized on improved conditions in fertilizers.

Even after a year of record gross margin in all three nutrients, we believe this is only the beginning. Increasing our gross margin performance will be our focus as we move forward.

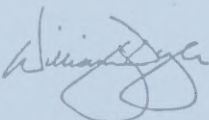
DELIVERING ON STAKEHOLDER EXPECTATIONS

As we continue to build our business, we remain firmly grounded by the expectations of our stakeholders. We operate with a long-term view and know that our success is built on strong partnerships with customers, employees, investors, suppliers and the communities where we live and do business. We will continue to work closely with these groups to contribute to their success – and ultimately enhance our operations.

Our Board of Directors understands the importance of our stakeholders and continues to lead us to deliver exceptional performance for the people who have put their trust, effort and capital behind this company.

Your company is in an unrivaled position to capitalize on growth in demand for fertilizer ingredients, especially potash. Yesterday, we dreamed about and planned for ways to maximize the value of PotashCorp's incredible resources. Today, we are able to measure the results.

We move forward into tomorrow with a tremendous sense of excitement and optimism about our ability to deliver even greater performance.



William J. Doyle, President and Chief Executive Officer
February 20, 2008

KEEPING PACE WITH GROWING DEMAND

Over the next several years, world potash demand is expected to grow on average by more than 2 million tonnes annually. That is roughly equivalent to the production from a world-class greenfield mine coming on stream every year. With no major greenfield projects in development, producers will be challenged to keep pace.

In response to global demand, PotashCorp's announced projects will raise annual operational capacity from 10.8 million tonnes in 2007 to 15.7 by the end of 2012.

These projects – at Patience Lake, Cory, New Brunswick and Rocanville, as well as a previously announced project at Lanigan – are timed to come on stream incrementally over the next five years.

As we have done for the past 20 years, we will use only as much of this new capacity as is needed to meet growing market demand and capture the greatest value for our shareholders.

FINANCIAL HIGHLIGHTS

(\$ millions, except per-share data and percentages)

	2007	2006	2005	2004	2003	5-Year CAGR ¹	10-Year CAGR
Financial Position							
Current assets	1,811.3	1,310.2	1,110.8	1,243.6	733.9		
Property, plant & equipment	3,887.4	3,525.8	3,262.8	3,098.9	3,108.1		
Other long-term assets	4,017.9	1,381.0	984.3	784.3	725.3		
Total assets	9,716.6	6,217.0	5,357.9	5,126.8	4,567.3		
Current liabilities	1,001.9	1,103.5	1,096.1	703.7	557.8		
Long-term debt	1,339.4	1,357.1	1,257.6	1,258.6	1,268.6		
Other long-term liabilities	1,356.6	976.1	871.7	778.9	767.1		
Shareholders' equity	6,018.7	2,780.3	2,132.5	2,385.6	1,973.8		
Total liabilities & shareholders' equity	9,716.6	6,217.0	5,357.9	5,126.8	4,567.3		
Financial Results							
Sales	5,234.2	3,766.7	3,847.2	3,244.4	2,799.0	19%	7%
Gross margin – Potash	912.3	561.1	707.4	422.8	203.7	33%	13%
Gross margin – Nitrogen	536.1	315.6	318.7	242.8	193.2	62%	15%
Gross margin – Phosphate	432.8	125.3	98.9	15.8	(16.5)	60%	8%
Total gross margin	1,881.2	1,002.0	1,125.0	681.4	380.4	44%	12%
Net income (loss)	1,103.6	631.8	542.9	298.6	(126.3)	83%	14%
Net income (loss) per share – diluted ²	3.40	1.98	1.63	0.90	(0.40)	82%	14%
Cash provided by operating activities	1,688.9	696.8	865.1	658.3	385.5	40%	14%
Additions to property, plant & equipment	607.2	508.6	382.7	220.5	150.7		

¹ Compound annual growth rate

² Adjusted for a two-for-one stock split in August 2004 and a three-for-one stock split in May 2007

POTASHCORP MARKET CAPITALIZATION

1989 \$0.3 BILLION

1999 \$2.5 BILLION

2007 \$45.6 BILLION

201%

Share Price Increase
year-over-year

142%

Increase in Cash Provided
by Operating Activities
year-over-year

83%

5-Year Net Income
CAGR

RECORD GROSS MARGIN**\$1.9 BILLION**

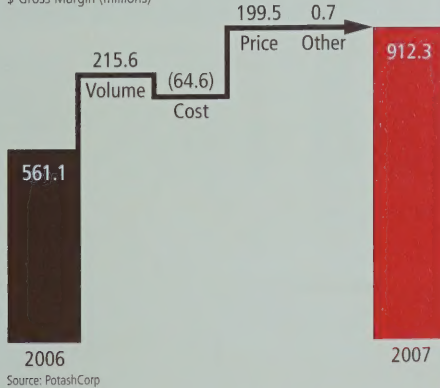
Record performance in all three nutrient segments produced overall gross margin 88 percent above 2006 and 67 percent more than our previous high in 2005.

POTASH

In potash, exceptionally tight market conditions prevailed for most of the year. Higher prices, improved per-tonne production costs and record sales volumes led to a 63 percent rise in gross margin over 2006, when offshore volumes were impacted by lengthy price negotiations with China and India. With rising food demand, farmers in developing nations worked to improve crop yields that have been stunted by the historical under-application of potash. Growing demand for this key nutrient, coupled with supply constraints, shrank inventories to historically low levels and drove up prices globally, although the benefit of offshore price increases was partially offset by higher ocean freight rates and locked-in contract pricing to China and India.

POTASH GROSS MARGIN CONTRIBUTORS

\$ Gross Margin (millions)

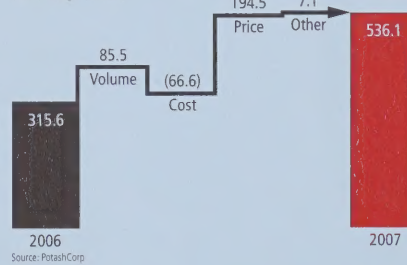
**NITROGEN AND PHOSPHATE**

Nitrogen gross margin was up 70 percent year over year, with the majority of total margin coming from our Trinidad operations. Strong fundamentals led to realized price increases in most nitrogen products.

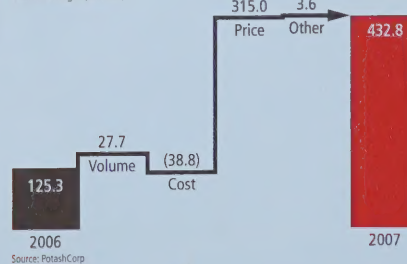
In phosphate, strong demand for solid and liquid fertilizers and rising costs for inputs like rock and sulfur drove up global prices in all major product categories. Largely self-sufficient in rock supply and benefiting from lower-cost North American sulfur, PotashCorp more than offset higher input costs, resulting in improved gross margin.

NITROGEN GROSS MARGIN CONTRIBUTORS

\$ Gross Margin (millions)

**PHOSPHATE GROSS MARGIN CONTRIBUTORS**

\$ Gross Margin (millions)



POTASHCORP POTASH PRODUCTION

1990 3.5 MMT

2007 9.2 MMT

2015
(POTENTIAL) 17.2 MMT

Source: PotashCorp

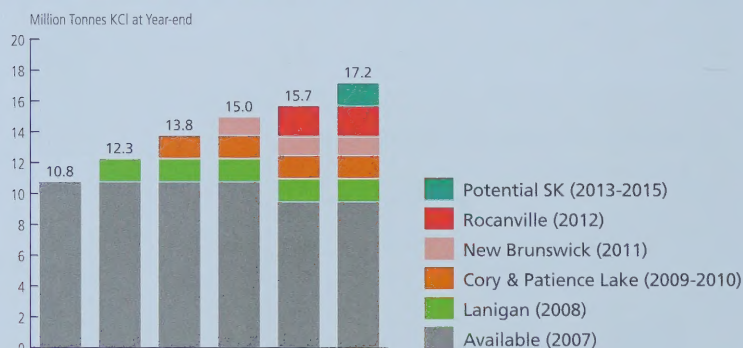
MMT = million tonnes

preparing for tomorrow, today

Anticipating the needs of tomorrow's world, we took major steps in 2007 to prepare for increased potash demand in the years to come.

In keeping with our Potash First strategy, we completed and announced projects to strengthen our potash position and add long-term value to our company. These projects will build on our current operational capacity of 10.8 million tonnes, at a substantial saving of cost and time over equivalent greenfield capacity.

PotashCorp Operational Capacity



* Reduction for PotashCorp's share of Esterhazy reserve depletion

Source: PotashCorp



"TODAY'S EXPANSIONS ARE THE PRODUCT OF YEARS OF PLANNING, WITH TOMORROW'S NEEDS ALWAYS IN MIND."

JIM DIETZ, EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

PROJECTS UNDERWAY IN 2007

2007 **ALLAN** **+ 0.4 MMT**

A debottlenecking and compaction expansion project was completed at Allan in 2007.

2008 **LANIGAN** **+ 1.5 MMT**

Lanigan's \$0.4 billion debottlenecking and compaction expansion project primarily entails refurbishing a mill that has been idle since the mid-1980s. New mill structures and equipment, along with upgraded ore hoisting and other underground equipment, will help raise operational capacity by 1.5 million tonnes, including 750,000 tonnes of additional compaction capability. Construction is scheduled to be completed in the second quarter of 2008.

2009 **PATIENCE LAKE** **+ 0.4 MMT**

The Patience Lake facility, a solution mine, will add 360,000 tonnes via 20 new injection wells and the pumping and piping systems required to serve them. The project will cost \$0.1 billion, with production to come on stream by 2009.



A 180-foot-high rig drills directional wells for the solution mining facility at Patience Lake.

PROJECTS UNDERWAY IN 2007

2010 CORY + 1.2 MMT

The \$0.9 billion project at Cory will add 1.2 million tonnes of operational capacity in 2010, including 750,000 tonnes of compaction capability. The expansion will enable Cory to produce red potash products in addition to the white product lines it currently offers. Storage, load-out and rail yard capabilities will be expanded to accommodate the new product mix and higher volumes.

2011 NEW BRUNSWICK + 1.2 MMT

At New Brunswick, \$1.7 billion is being invested in a new 2-million-tonne mine and a 1.2-million-tonne enhancement to the existing mill. This expansion is strategically and logistically important, as it allows PotashCorp to capitalize on New Brunswick's proximity to port and the growing Latin American market. This expansion is expected to be completed in 2011.

2012 ROCANVILLE + 2.0 MMT

A 2-million-tonne, \$1.8 billion mine and mill expansion at Rocanville will enhance this low-cost, technologically advanced facility.

The expansion will leverage existing facilities and infrastructure to reduce construction costs by an estimated 25 percent and completion time by up to two years over equivalent greenfield capacity. An additional shaft will be sunk, providing two shafts with ore hoisting capabilities. Mining machines, underground services and power infrastructure will be added.

A new mill will be built adjacent to the existing mill. Storage, load-out and on-site rail capability will be modified to handle increased tonnes with minimal investment. Construction is scheduled to be complete at the end of 2012.

2013-15 POTENTIAL + 1.5 MMT

Other debottlenecking and expansion projects – with the potential to add up to 1.5 million tonnes of capacity at our existing Saskatchewan facilities – are currently under evaluation.



New compaction machines give our Allan mill the ability to produce more granular product.

TARGETS AND RESULTS

Our business goals are linked to the vision and strategy guiding the company. Each year we set targets to advance our goals and monitor our progress toward them. The following table highlights results from several key targets and explains their significance to our business. For a complete list of our goals, targets and results, see our online Annual Report, keyword KPD.

TARGET

Exceed total shareholder return performance for our sector¹ and companies on the DJUSBM² for 2007.

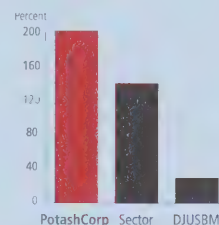
RESULTS

Achieved total shareholder return of 202 percent, exceeding the 141 percent generated by our sector and the 30 percent return of the DJUSBM.

COMMENTS

Total shareholder return measures the amount returned to investors through capital gains and dividends. Performance against our peers illustrates our ability to execute strategies that maximize shareholder value. Operating under similar market conditions, and subject to the same macro trends as our competitors, our company outperformed both our sector and the DJUSBM.

2007 Total Shareholder Return



TARGET

Carry a higher multiple than the average of other fertilizer companies on both earnings and cash flow.

RESULTS

Throughout 2007, our multiples were higher than the average of other fertilizer companies on both earnings and cash flow.

COMMENTS

Carrying a higher multiple than our peers indicates that investors believe in our ability to grow future earnings at a greater rate, while minimizing volatility. We believe this confidence stems from our long track record of building value, our strong market position and our strategies for capitalizing on our strengths and the opportunities that lie ahead. With an unrivaled opportunity to bring on significant potash volumes and realize greater per-tonne margins, we are well positioned for future profitability, building a solid argument for the continued premium valuation of our stock relative to other fertilizer companies.

TARGET

Reduce recordable injury rate by 15 percent and lost-time injury rate by 40 percent.

RESULTS

Recordable injury rate increased by 9 percent. Lost-time injury rate was reduced by 48 percent.

COMMENTS

Although we achieved record performance for our company-wide lost-time injury rate and for the recordable injury rate in both our nitrogen and phosphate divisions, diminished performance in potash kept us from reaching our overall recordable injury rate target. Our Senior Safety Leadership Team will continue to work closely with site managers to refine Site Safety Action Plans to reduce risk of injury.

TARGET

Fill at least 75 percent of senior staff openings with internal candidates.

RESULTS

85 percent of senior staff openings were filled with internal candidates.

COMMENTS

Of 60 senior staff openings in 2007, 51 were filled by promoting or transferring internal candidates, while only nine required recruitment of external candidates. This high internal fill-rate reflects our commitment to developing our employees, broadening the knowledge base throughout the company and lowering recruitment costs.

¹ Sector includes Mosaic, Agrium, Yara, ICL, SQM, K+S

² Dow Jones US Basic Materials Index



6

KEYS

TO UNDERSTANDING
OUR BUSINESS



1 THE WORLD NEEDS MORE FERTILIZER

A combination of conditions is challenging farmers to maximize yields and meet the growing agricultural needs of a changing world:

- **There are more mouths to feed.** Population has more than doubled since 1950 and is expected to grow from 6.7 billion to 9.2 billion by 2050.
- **Incomes and meat consumption are rising.** As incomes rise in Asia and other developing regions, millions of people are switching from starch- to protein-based diets, driving the grain-intensive production of livestock.
- **Biofuels are adding demand for crops.** New demand for ethanol and other biofuels puts pressure on crops used for both food and fuel.
- **Per capita arable land is decreasing.** Urbanization and population growth are diminishing available farmland per person.
- **Grain inventories are at record lows.** Production of wheat and coarse grains is expected to fall short of consumption for the eighth time in nine years. Global inventories do not contain enough grain to feed the world for two months.
- **Global crop prices are rising.** Low inventories and increasing demand are leading to higher crop prices, motivating farmers to maximize production.
- **Yields are low in many regions.** Historical under-application of fertilizer has led to chronic low-yield performance in countries like China, India and Brazil where farmers produce only a fraction of the yields of their US counterparts.

POTASH CONSUMPTION – CHINA, BRAZIL & INDIA

1987	6 MMT
2007	23 MMT
SCIENTIFICALLY RECOMMENDED	48 MMT

Source: Fertecon, IPNI, PotashCorp

GLOBAL CONSUMPTION GROWTH*

NITROGEN 19%

PHOSPHATE 26%

POTASH 40%

Source: Fertecon, PotashCorp

*Since 2000

2 AMONG FERTILIZER NUTRIENTS, THE POTASH BUSINESS HAS ADVANTAGES

The potash industry enjoys advantages in both structure and market conditions that make it the best business in the fertilizer universe:

- **Good deposits are rare.** Economically viable potash deposits are uncommon and geographically concentrated. Approximately 50 percent of the world's potash resources are located in Canada, primarily in Saskatchewan.
- **Barriers to entry are high.** Greenfield development is costly (about \$2.5 billion for a 2-million-tonne mine in Saskatchewan, excluding infrastructure) and has a long lead time (five to seven years before production begins).
- **There are few global producers.** Only 12 countries produce potash, while approximately 160 consume it.
- **Government ownership is low.** Less government ownership means decisions are primarily market-driven, rather than politically motivated.
- **Demand growth is great.** Historical under-application of fertilizers is most pronounced in potash. Farmers are working to remedy this deficiency, but they still have a long way to go.
- **Supply is constrained.** Even with all producer expansions considered, tight supply is anticipated for at least the next five years. PotashCorp, with nearly one-quarter of the world's current capacity and numerous expansion projects underway, is positioned to capture a significant share of future market growth.
- **Earnings quality is high.** Among our nutrient segments, potash is the most stable and provides the highest gross margin per dollar of sales.

22%

POTASHCORP SHARE OF
GLOBAL POTASH CAPACITY

3

POTASH IS THE CORE OF OUR BUSINESS

Anticipating today's conditions – and tomorrow's realities – PotashCorp has spent almost 20 years building the highest quality assets in the potash industry. We are the world's largest producer, with five large low-cost mining and milling facilities in Saskatchewan and one in New Brunswick, plus a mining and processing agreement at a sixth Saskatchewan location. ●

In addition, we have strategic investments in four offshore potash businesses:

- 28 percent of Arab Potash Company Ltd. (APC), a producer in Jordan
- 10 percent of Israel Chemicals Ltd. (ICL), a producer in Israel
- 32 percent of Sociedad Química y Minera de Chile S.A. (SQM), a specialty producer in Chile
- 20 percent of Sinofert Holdings Limited (Sinofert), the largest distributor of potash and other fertilizers in China



OUR STRATEGIES EMPHASIZE EARNINGS GROWTH AND QUALITY

To deliver superior value to stakeholders – both now and in the long term – we have developed strategies that build on our competitive strengths to encourage earnings growth with minimal volatility.

Growth through potash. With significant increases in volumes, higher prices and lower per-tonne fixed costs on the horizon, potash holds the greatest growth potential among our segments and is our first consideration in business decisions. We prioritize choices that enhance our world-leading potash position, which include building on our own capacity, investing in other companies and repurchasing stock.

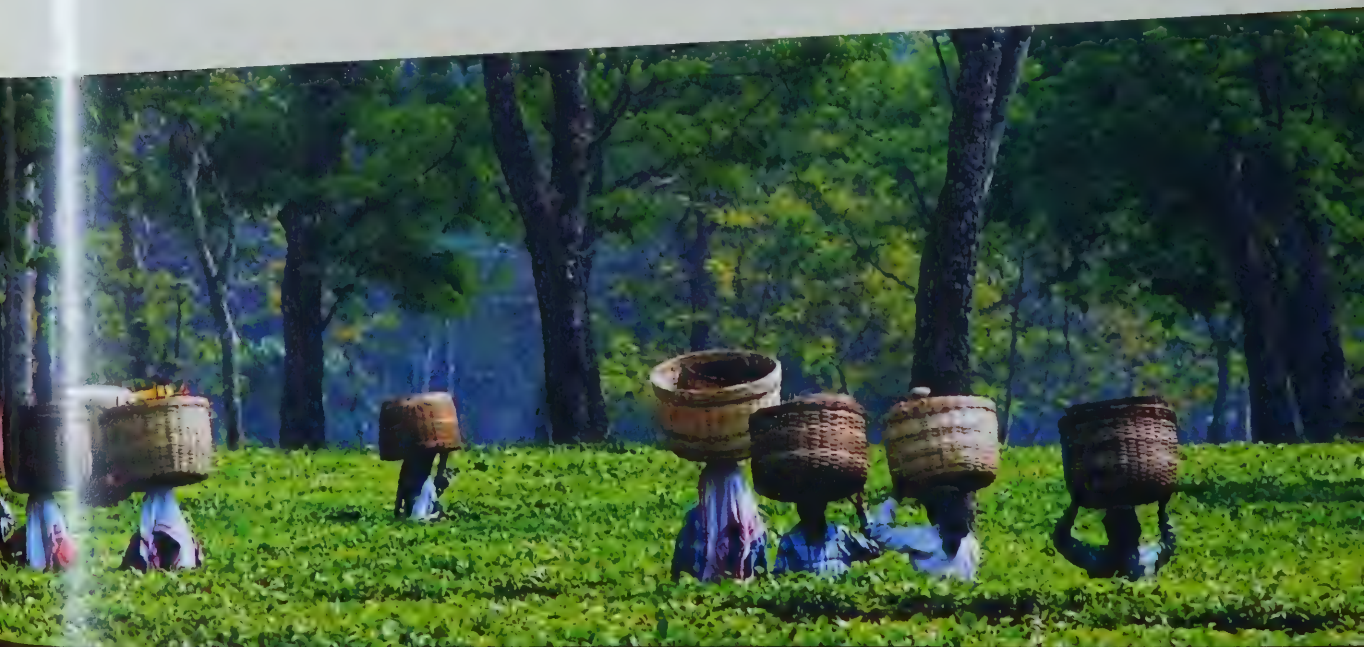
Minimize volatility in all three nutrients. Our world-class nitrogen and phosphate businesses complement our Potash First strategy. In each nutrient, we focus our strategies on unique competitive advantages that maximize margins and minimize volatility.

- **Potash** For almost two decades, we have matched supply to market demand to minimize inventory overhang.
- **Nitrogen** Our lower-cost Trinidad natural gas contracts, indexed to US ammonia prices, provide stability and a cost advantage over most US producers.
- **Phosphate** Our high-purity rock gives us the unique ability to vary our product mix – including production of less cyclical, high-margin industrial and feed products.

POTASHCORP POTASH GROSS MARGIN

1990	\$0.1 BILLION
2007	\$0.9 BILLION
2015 (POTENTIAL)	\$8.0 BILLION

Source: PotashCorp



5

WE ARE UNIQUELY PREPARED TO MEET GROWING POTASH DEMAND

With unparalleled resources and plans for significant growth, we are well positioned to meet the needs of a diverse and growing potash market. In an industry marked by tight supply and high barriers to entry, PotashCorp is responding to rising demand by:

- **Maximizing existing capacity.** By leveraging our expertise and utilizing our existing infrastructure, we are bringing on capacity in less time and at significantly less cost than equivalent greenfield development.
- **Broadening our global enterprise.** By investing in international potash producers, we are benefiting from growth in all key world markets. APC in Jordan, for example, has logistical advantages in serving India's rapidly growing market.

- **Investing in the distribution chain.** Through Canpotex, we are investing in transportation infrastructure – including railcars and port facilities – that enables us to get our product to growing offshore markets. Through our interest in Sinofert, we have a stake in the primary distributor to the world's largest fertilizer market.

- **Adding compaction capability.** The ability to compact standard potash into granular product adds value and flexibility to our product mix. Demand for premium-priced granular product is increasing as farming technology advances in offshore countries.

Compaction expansions enable us to make value-added granular (left) from standard (right) and finer-grain product.



6

WE LIVE BY OUR CORE VALUES

In pursuing our company vision, we operate by the highest possible business standards and take into account factors beyond financial performance when evaluating our success.

By committing to and living by our core values, we:

- Create long-term value for our shareholders
- Build support and understanding among stakeholders
- Foster a culture of accountability for employees
- Improve satisfaction of our customers and partners
- Focus on our pursuit of no harm to people, no accidents and no damage to the environment
- Improve quality of life in our communities

Learn more in our online report:

Keyword: Our Business



key markets

The markets for our products continue to evolve, with emerging offshore economies creating significant opportunities for growth and North American markets providing greater stability. Understanding the conditions, trends and potential of our key markets is critical to anticipating and meeting the needs of our customers and building long-term value for our shareholders.

CHINA – MEAT CONSUMPTION

1987	22 MMT
2007	81 MMT
2017F	106 MMT

Source: FAO, British Sulphur, PotashCorp

CHINA

Major Crops

Rice, wheat, corn, soybeans, vegetables and fruit

Potash (2007E)

Production	3.1 MMT	Exports	0 MMT
Imports	9.4 MMT	Demand	12.5 MMT

Source: Fertecon, PotashCorp

China Today...and Tomorrow

With 1.3 billion people, China uses more fertilizer than any other country. Much of its western terrain is unusable for agriculture, so southeastern China's farmers often double- and triple-crop to meet production needs for crops like rice, fruits and vegetables. Balanced fertilization, particularly after decades of under-application of potash, is now better understood and is seen as crucial to improving yields.

China's future growth will have a heavy impact on agriculture. As incomes rise and urbanization spreads, people spend more on better-quality food – especially meat. China's meat consumption has almost quadrupled in 20 years and is expected to continue to grow significantly. Pork and beef production is grain-intensive, furthering the need for fertilizer to maximize yields.



SOUTHEAST ASIA

Major Potash Consuming Countries

Malaysia, Indonesia, Thailand, Vietnam, Philippines

Major Crops

Rice, corn, oil palm, rubber, coffee, sugar cane, cassava, vegetables and fruit

Potash (2007E)

Production	0 MMT	Exports	0 MMT
Imports	4.1 MMT	Demand	4.1 MMT

Source: Fertecon, PotashCorp

Southeast Asia Today...and Tomorrow

With strengthening economies, countries in Southeast Asia are working to maximize crop yields to meet growing food demand. Malaysia and Indonesia are prominent players in the biofuel industry, with the latter being the world's largest producer of palm oil, which is very potash intensive. Indonesia plans to diversify into ethanol and in 2007 set aside 2.2 million hectares for potash-dependent sugar cane and cassava.

INDIA

Major Crops

Rice, wheat, sorghum, pulse crops, sugar cane

Potash (2007E)

Production	0 MMT	Exports	0 MMT
Imports	4.5 MMT	Demand	4.5 MMT

Source: Fertecon, PotashCorp

India Today...and Tomorrow

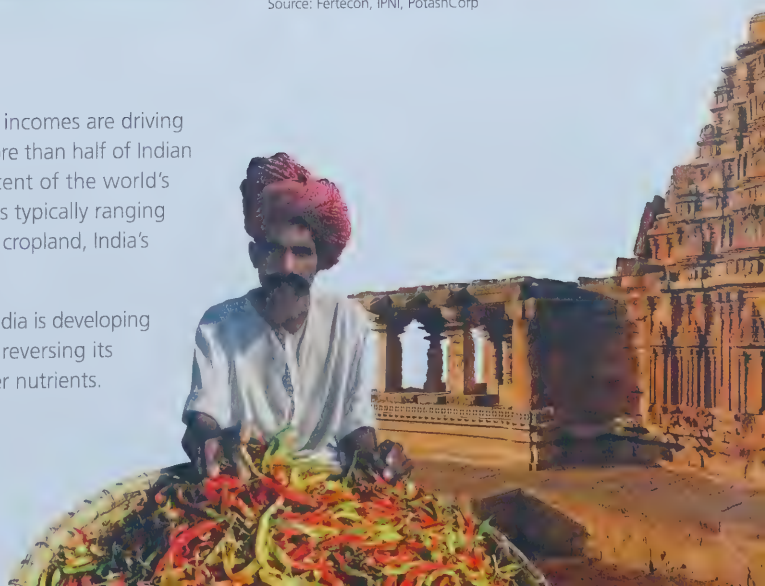
As in China, India's population (1.1 billion) and growing incomes are driving the need for more food and better diets. On average, more than half of Indian household expenditures are food-related. With 17 percent of the world's population but only 11 percent of arable land, and yields typically ranging from 20 percent to 50 percent of those on equivalent US cropland, India's need for fertilizer is clear.

Responding to a growing annual domestic grain deficit, India is developing strategies to improve agricultural production, including reversing its long-term under-application of potash and other fertilizer nutrients.

INDIA - POTASH CONSUMPTION

1987	1.4 MMT
2007	4.4 MMT
SCIENTIFICALLY RECOMMENDED	10.5 MMT

Source: Fertecon, IPNI, PotashCorp



BRAZIL – CROP PRODUCTION

1987 57_{MMT}

2007 122_{MMT}

2017F 157_{MMT}

Source: USDA, AgraFNP, PotashCorp

BRAZIL

Major Crops

Soybeans, sugar cane, corn, wheat, rice, coffee

Potash (2007E)

Production	0.7 MMT	Exports	0 MMT
Imports	6.7 MMT	Demand	7.4 MMT

Source: Fertecon, PotashCorp

Brazil Today...and Tomorrow

In the past decade, Brazil has emerged as an agricultural powerhouse – a virtual supermarket to the world. The ready availability of land, water and labor to increase crop and meat production has driven up exports to the European Union and the United States, but soaring demand in China has fueled much of Brazil's export growth. Benefiting from strengthening global crop prices, lower production costs and advanced farming techniques, it has become the world's number one exporter of sugar, ethanol, coffee, orange juice, tobacco, beef and poultry. The agri-food sector accounts for nearly a third of the country's GDP.

Future growth in Brazilian agriculture will rely on potash as soils in most key growing areas are potassium-deficient.

FUTURE MARKETS

RUSSIA: After years of depressed conditions following the collapse of the Soviet Union and subsequent attempts at reform, Russia's economy is slowly gaining momentum. Rising crop prices are expected to stimulate growth in its agricultural sector.

AFRICA: In Africa, where political instability has limited the growth of a sustainable agricultural industry, there is potential for an enormous increase in crop production and fertilizer consumption. As governments recognize the benefits of investing in agriculture, advancements are expected to occur.



NORTH AMERICA

Major Crops

Corn, wheat, soybeans, cotton

Potash – US (2007E)

Production	1.5 MMT	Exports	0.3 MMT
Imports	8.2 MMT	Demand	9.4 MMT

Potash – Canada (2007E)

Production	17.7 MMT	Exports	16.9 MMT
Imports	0 MMT	Demand	0.8 MMT

Source: Fertecon, PotashCorp

North America Today...and Tomorrow

The US and Canada are major suppliers of food and fiber for the world, with the US accounting for 40 percent of the total global trade in wheat, corn, soybeans and cotton. Both countries are among the world's most efficient agricultural producers – productivity in the US, for example, has improved by more than 1 percent per year since 1950, due largely to ongoing refinements in yield technology and increased understanding of the critical role of proper fertilization. Yields on North American farms far exceed those of India, China and Brazil, especially in corn, where US farms can produce as much as five times the output on the same amount of land.

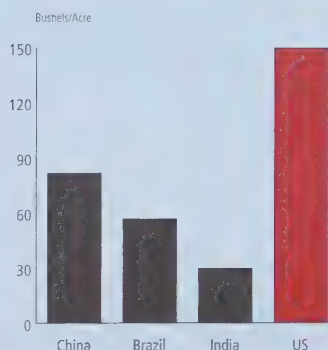
The most significant and stable market, North America provides lower growth but a reliable base for fertilizer sales – a complement to rapidly growing offshore markets.

US – CORN YIELDS

1987	120	BUSHEL/ACRE
2007	151	BUSHEL/ACRE
2012F	171	BUSHEL/ACRE

Source: USDA, ProExporter

Global Corn Yields



from values to vision

In pursuit of our vision, we rely on core values that reflect the history and ongoing development of our company – values that define, inform and guide the way we do business. These values remind us of our continuing responsibility as a global leader and the importance of tomorrow in the decisions we make today.

For more information on our core values, please visit our Online Annual Report, keyword Core Values.

OUR CORE VALUES

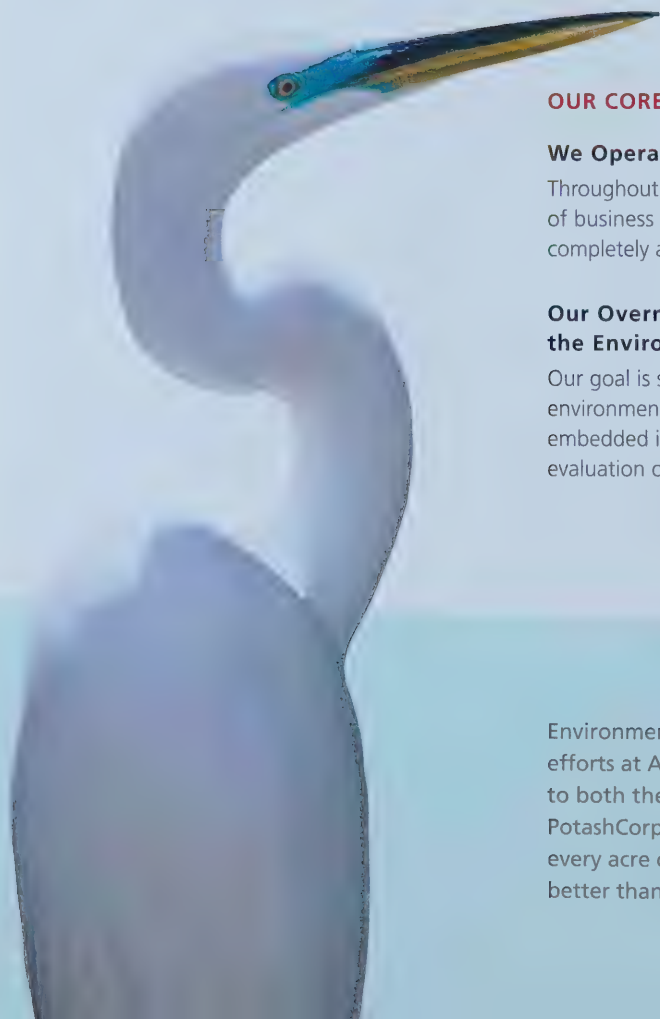
We Operate with Integrity

Throughout our company, our employees are held to the highest standards of business conduct. We treat people fairly and communicate promptly, completely and accurately with all stakeholders.

Our Overriding Concern Is the Safety of People and the Environment

Our goal is simple: no harm to people, no accidents and no damage to the environment. Our commitment to safety and environmental stewardship is embedded in our culture and impacts all aspects of our operations, from the evaluation of our CEO's performance to our mine reclamation initiatives.

Environmental initiatives like our mine reclamation efforts at Aurora, North Carolina show our commitment to both the environment and our communities. PotashCorp restores more than 1 ½ acres of wetlands for every acre our operations disturb, often to a condition better than its pre-mined state.



We Listen to All PotashCorp Stakeholders

By listening, we use what we learn to improve the company. We value our stakeholders' opinions and are diligent in collecting feedback on our performance. Through surveys and meetings with customers, employees, neighbors, community leaders, policy makers and investors, we listen and cultivate relationships that keep us engaged with and responsive to the people upon whom our success relies.

We Seek Continuous Improvement

As an industry and community leader, we proactively look for ways to improve how we do business. By evaluating and refining our practices at every level of our organization through initiatives like our Best Practices meetings, we build value for our company, increase our efficiency and foster an atmosphere of responsive innovation.

We Share What We Learn

Education is at the core of our business. Internally, we ensure that all employees and contractors are informed, well-trained, engaged and committed to our vision and values. Externally, we teach safety to our communities and offer programs to explain how our products benefit the world.

We Are Accessible, Accountable and Transparent

Through disclosure vehicles like our annual triple-bottom-line sustainability report and website, we ensure our accountability by publicly setting goals and objectives for our economic, environmental and social performance. We are accessible to all stakeholders, helping them understand the company's direction, values and progress.

Our annual Sustainability Report is an opportunity for us to publicly review our past and future economic, social and environmental performance. Available in summary form in print and comprehensively online, it provides valuable information on matters global and local, keeps us transparent and accountable for our actions and illustrates our commitment to stakeholder communications and engagement.

RECORDABLE INJURY FREQUENCY (PER 200,000 WORK HOURS)

2002	2.68
2007	1.94
GOAL	0

Source: PotashCorp



POTASHCORP BOARD OF DIRECTORS

1 Frederick J. Blesi ^{A,D}

Glenview, IL
Retired Chairman and CEO
of PhosChem

2 William J. Doyle

Winnetka, IL
President and CEO of PotashCorp

3 John W. Estey ^{B,C}

Glenview, IL
President and CEO of S&C Electric Co.

4 Wade Fetzer III ^{A,B}

Glencoe, IL
Director of Sinofert and Retired
Partner with Goldman Sachs

5 Dallas J. Howe (Chair) ^A

Calgary, AB
Owner and CEO of DSTC Ltd.

6 Alice D. Laberge ^{C,D}

Vancouver, BC
Corporate Director and former
President and CEO of Fincentric
Corporation

7 Jeffrey J. McCaig ^{B,D}

Calgary, AB
Chairman and CEO of
Trimac Group of Companies

8 Mary Mogford ^{A,D}

Newcastle, ON
Corporate Director and former
Ontario Deputy Minister of Finance
and Natural Resources

9 Paul J. Schoenhals ^{B,C}

Calgary, AB
Retired President and CEO of
Enform and former Chairman of
the PCS Crown corporation from
1987 to 1989

10 E. Robert Stromberg, QC ^C

Jackfish Lake, SK
Formerly associated with the law firm
Robertson Stromberg Pedersen

11 Keith G. Martell ^D

Saskatoon, SK
Executive Chairman of
First Nations Bank of Canada

12 Elena Viyella de Paliza ^C

Dominican Republic
President of Inter-Quimica, S.A.,
Monte Rio Power Corp and
Indescorp, S.A.



CORPORATE OFFICERS AND KEY MANAGEMENT

1 William J. Doyle

President and
Chief Executive Officer

2 Wayne R. Brownlee

Executive Vice President
and Chief Financial Officer

3 James F. Dietz

Executive Vice President
and Chief Operating Officer

4 G. David Delaney

President
PCS Sales

5 Garth W. Moore

President
PCS Potash

6 Thomas J. Regan, Jr.

President
PCS Phosphate and PCS Nitrogen

7 Barbara Jane Irwin

Senior Vice President
Administration

8 Joseph A. Podwika

Senior Vice President
General Counsel and Secretary

9 Robert A. Jaspar

Senior Vice President
Information Technology

10 Stephen F. Dowdle

Senior Vice President
Fertilizer Sales, PCS Sales

11 Denis A. Sirois

Vice President
and Corporate Controller

12 Daphne J. Arnason

Vice President
Internal Audit

13 Karen G. Chasez

Vice President
Procurement

14 John R. Hunt

Vice President
Safety, Health and Environment

15 Denita C. Stann

Director
Investor Relations



Annual Meeting

The Annual Shareholders Meeting will be held at 10:30 a.m. Central Standard Time May 8, 2008 in the Grand Salon, TCU Place, 35 - 22nd Street East, Saskatoon, Saskatchewan.

It will be carried live on the company's website, www.potashcorp.com.

Holders of common shares as of March 13, 2008 are entitled to vote at the meeting and are encouraged to participate.

Dividends

Dividend amounts paid to shareholders resident in Canada are adjusted by the exchange rate applicable on the dividend record date. Dividends are normally paid in February, May, August and November, with record dates normally set approximately three weeks earlier. Future cash dividends will be paid out of, and are conditioned upon, the company's available earnings. Shareholders who wish to have their dividends deposited directly to their bank accounts should contact the transfer agent and registrar, CIBC Mellon Trust Company.

Registered shareholders can have dividends reinvested in newly issued common shares of PotashCorp at prevailing market rates.

Information for Shareholders Outside Canada

Dividends paid to residents in countries with which Canada has bilateral tax treaties are generally subject to the 15 percent Canadian non-resident withholding tax. Shareholders in the United States who have not filed a W-9 are also subject to the backup withholding tax (currently 28 percent). There is no Canadian tax on gains from the sale of shares (assuming ownership of less than 25 percent) or debt instruments of the company owned by non-residents not carrying on business in Canada. No government in Canada levies estate taxes or succession duties.

Investor Inquiries

Denita Stann, Director, Investor Relations
Canada: (800) 667-0403 US: (800) 667-3930
e-mail: ir@potashcorp.com

Visit us at www.potashcorp.com

Corporate Offices

Canada:

Suite 500, 122 - 1st Avenue South, Saskatoon SK S7K 7G3
Phone: (306) 933-8500

US:

Suite 400, 1101 Skokie Boulevard, Northbrook IL 60062
Phone: (847) 849-4200

Common Share Prices and Volumes

This table sets forth the high and low prices, as well as the volumes, for the company's common shares as traded on the Toronto Stock Exchange and the New York Stock Exchange (composite transactions) on a quarterly basis.

Potash Corporation of Saskatchewan Inc. is on the S&P/TSX 60 and the S&P/TSX Composite indices.

	Toronto Stock Exchange ¹			New York Stock Exchange		
	High*	Low*	Volume	High*	Low*	Volume
2007						
First Quarter	65.31	51.92	51,599,528	56.35	44.05	221,025,369
Second Quarter	86.21	61.02	51,480,129	80.85	52.82	220,781,704
Third Quarter	108.92	76.96	65,980,291	109.40	71.50	189,289,076
Fourth Quarter	148.89	94.30	67,978,612	151.90	97.36	239,545,310
Year 2007	148.89	51.92	237,038,560	151.90	44.05	870,641,459
2006						
First Quarter	37.96	30.50	63,024,657	33.08	26.05	165,652,500
Second Quarter	39.00	28.93	56,060,451	35.47	26.28	162,390,900
Third Quarter	39.49	30.67	42,424,140	35.49	27.34	123,589,800
Fourth Quarter	56.96	37.75	58,463,577	49.06	33.83	185,087,100
Year 2006	56.96	28.93	219,972,825	49.06	26.05	636,720,300
2005						
First Quarter	37.97	29.70	54,892,338	30.67	24.30	96,036,000
Second Quarter	44.04	32.80	40,296,027	35.56	26.42	89,500,200
Third Quarter	46.00	36.08	43,354,176	38.38	30.95	73,579,800
Fourth Quarter	36.30	28.25	66,542,436	31.11	24.26	138,311,700
Year 2005	46.00	28.25	205,084,977	38.38	24.26	397,427,700

¹ Trading prices are in Cdn \$

*Data are adjusted for a two-for-one stock split in August 2004 and a three-for-one stock split in May 2007

Source: Thomson Financial

Common Share Transfer Agent

In Canada:

CIBC Mellon Trust Company
P.O. Box 7010
Adelaide Street Postal Station
Toronto, ON M5C 2W9
Phone: (416) 643-5500 (800) 387-0825
inquiries@cibcmellon.com www.cibcmellon.com

In the United States:

Mellon Investor Services
P.O. Box 358016
Pittsburgh, PA 15252-8016
Phone: (201) 680-6578
e-mail: shrrelations@mellon.com www.mellon.com

Shareholders with address changes or inquiries concerning their Potash Corporation of Saskatchewan Inc. stock are invited to contact:

CIBC Mellon Trust (address above), or
Joseph A. Podwika, Corporate Secretary
PotashCorp
Suite 500, 122 - 1st Avenue South
Saskatoon, SK S7K 7G3

Ownership

On February 20, 2008, there were 1,772 holders of record of the company's common shares.

Shares Listed

Toronto Stock Exchange
New York Stock Exchange
Ticker Symbol: POT

Financial Reports and News Releases

Annual reports, interim reports and news releases are available on our website or by contacting the Investor Relations department.

NYSE Corporate Governance

Disclosure contemplated by 303A.11 of the NYSE's listed company manual is available on our website at www.potashcorp.com. The company has filed annual written affirmations/certifications pursuant to the NYSE listing company manual. The certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits to our 2007 Annual Report on Form 10-K.

Yearly POT Stock Price Since Inception* – NYSE Composite

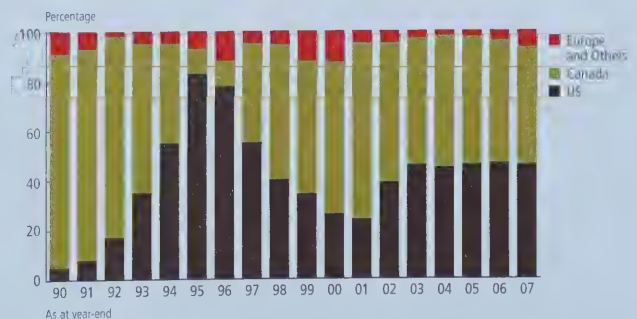


5611%
Increase since 1989

2007 Monthly POT Stock Price* – NYSE Composite



POT Share Ownership – Geographic Distribution



As at year-end

Forward-Looking Statements

This 2007 Summary Annual Report contains forward-looking statements. These statements can be identified by expressions of belief, expectation or intention, as well as those statements that are not historical fact. These statements are based on certain factors and assumptions as set forth in this Summary Annual Report including foreign exchange rates, expected growth, results of operations, performance, business prospects and opportunities and effective income tax rates. While the company considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect. A number of factors could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to: fluctuations in supply and demand in fertilizer, sulfur, transportation and petrochemical markets; changes in competitive pressures, including pricing pressures; the results of negotiations with China and India; timing and amount of capital expenditures; risks associated with natural gas and other hedging activities; changes in capital markets and corresponding effects on the company's investments; changes in currency and exchange rates; unexpected geological or environmental conditions, including water inflow; strikes or other forms of work stoppage or slowdowns; changes in, and the effects of, government policy and regulations; and earnings, exchange rates and the decisions of taxing authorities, all of which could affect our effective tax rates. Additional risks and uncertainties can be found in our Form 10-K for the fiscal year ended December 31, 2007 under the captions "Forward-Looking Statements" and "Item 1A – Risk Factors" and in our filings with the US Securities and Exchange Commission and the Canadian provincial securities commissions. Forward-looking statements are given only as at the date of this report and the company disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Market and Industry Data Statement

Some of the market and industry data contained in this Summary Annual Report are based on internal surveys, market research, independent industry publications or other publicly available information. Although we believe that the independent sources used by us are reliable, we have not independently verified and cannot guarantee the accuracy or completeness of this information. Similarly, we believe our internal research is reliable, but such research has not been verified by any independent sources.

Information in the preparation of this Summary Annual Report is based on statistical data and other material available at February 20, 2008.

Sources, Abbreviations, Terms and Measures

Abbreviated Company Names and Sources*

AgraFNP	AgraFNP Informa Ltd., Brazil
Agrium	Agrium Inc. (TSX and NYSE: AGU), Canada
APC	Arab Potash Company Ltd. (Amman: ARPT), Jordan
British Sulphur	British Sulphur Consultants, UK
Canpotex	Canpotex Limited, Canada
Doane	Doane Agricultural Services, USA
FAO	Food and Agriculture Organization of the United Nations
Fertecon	Fertecon Limited and Fertecon Research Centre Limited, UK
ICL	Israel Chemicals Ltd. (Tel Aviv: ICL), Israel
IPNI	International Plant Nutrition Institute, USA
K+S	K+S Group (Xetra: SDF), Germany
Mosaic	The Mosaic Company (NYSE: MOS), USA
NYSE	New York Stock Exchange, USA
ProExporter	The ProExporter Network, USA
Sinofert	Sinofert Holdings Limited (HKSE, 0297.HK), China
SQM	Sociedad Quimica y Minera de Chile S.A. (Santiago Bolsa de Comercio Exchange, NYSE: SQM), Chile
Thomson Financial	Thomson Financial Inc., USA
TSX	Toronto Stock Exchange, Canada
USDA	US Department of Agriculture, USA
Yara	Yara International (Oslo: YAR), Norway

Fertilizer Measures

K ₂ O tonne	Measures the potassium content of fertilizers having different chemical analyses
P ₂ O ₅ tonne	Measures the phosphorus content of fertilizers having different chemical analyses
N tonne	Measures the nitrogen content of fertilizers having different chemical analyses
Product tonne	Standard measure of the weights of all types of potash, phosphate and nitrogen products

Glossary of Terms

2007E	2007 Estimated
2008F	2008 Forecast
Canpotex	An export company owned by all Saskatchewan producers of potash (PotashCorp, Mosaic and Agrium)
Consumption vs Demand	Product applied vs product purchased
Greenfield	New operation built on undeveloped site
MMT	Million tonnes
North America	The North American market includes Canada and the United States
Offshore	Offshore markets include all markets except Canada and the United States
Operational Capacity	Equipment in a state of readiness to produce. While operational capacity is increased at mechanical completion of a project, a period of ramp-up may be required to achieve full operating levels.
PotashCorp	Potash Corporation of Saskatchewan Inc. (PCS) and its direct or indirect subsidiaries, individually or in any combination, as applicable

Scientific Terms

Nitrogen	NH ₃	ammonia (anhydrous), 82.2% N
	HNO ₃	nitric acid, 22% N (liquid)
	UAN	nitrogen solutions, 28-32% N (liquid)
Phosphate	P ₂ O ₅	phosphoric acid (liquid)
	MGA	merchant grade acid, 54% P ₂ O ₅ (liquid)
	DAP	diammonium phosphate, 46% P ₂ O ₅ (solid)
	MAP	monoammonium phosphate, 52% P ₂ O ₅ (solid)
	SPA	superphosphoric acid, 70% P ₂ O ₅ (liquid)
	MCP	monocalcium phosphate, 48.1% P ₂ O ₅ (solid)
	DCP	dicalcium phosphate, 42.4% P ₂ O ₅ (solid)
Potash	DFP	defluorinated phosphate, 41.2% P ₂ O ₅ (solid)
	KCl	potassium chloride, 60-63.2% (solid)

* Where PotashCorp is listed as a source in conjunction with external sources, we have supplemented the external data with internal analysis.

A LOOK AT TOMORROW

Strong world economic growth is expected to continue in 2008, with China and India leading the way. As people in Asia and other developing regions continue to consume more food and shift toward higher-protein diets, the pressure to improve crop yields will increase – and with it, fertilizer consumption.

Based on these factors, PotashCorp is forecasting potash sales volumes to grow by 7 percent in 2008. This increase, combined with rising prices and per-tonne efficiencies gained through additional volumes, is expected to drive potash gross margin to unprecedented levels – approximately 2½ times the 2007 record. Consolidated net income could double, rising to between \$2.0 billion and \$2.3 billion.



POTASH SALES VOLUMES (MILLION TONNES)

2004	8.3
2005	8.2
2006	7.2
2007	9.4
2008F	10.1

POTASH GROSS MARGIN (\$US MILLIONS)

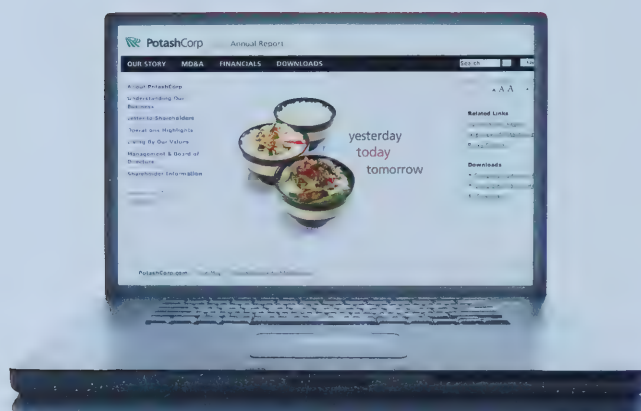
2004	422.8
2005	707.4
2006	561.1
2007	912.3
2008F	2,200-2,300

NET INCOME (\$US MILLIONS)

2004	298.6
2005	542.9
2006	631.8
2007	1,103.6
2008F	2,000-2,300

Source: PotashCorp

hungry for more?



PotashCorp2007AR.com

Visit our online annual report today for complete financial statements, management's discussion and analysis, PDF downloads and more.



PotashCorp
Helping Nature Provide



yesterday
today
tomorrow

On the cover:
Three generations of the
Peed family (from right to left):
Carson, his father Jeffrey and
his grandfather Floyd are
featured on page 8 as neighbors
of PotashCorp in Aurora, NC.

about this report

Discover Enduring Relationships
from Yesterday, Today and
Tomorrow

In this, our sixth annual report
on PotashCorp's sustainability
performance, we have looked to
our stakeholders to help us tell
our story.

We present a cross-section
of people whose lives PotashCorp
affects — from current and
prospective employees to our
neighbors in the communities
where we do business to our
customers, investors and
suppliers. This report illustrates
the importance we put on these
relationships, and the sustainable
performance measures by which
these stakeholders judge us.

While this summary report is
organized around stakeholders,
our comprehensive online report

provides a more detailed
examination of our performance
in the governance, economic,
social and environmental arenas.

You can view this report at
www.potashcorp2007SR.com.

Both print and online versions
describe company-wide
performance as well as
performance by business
divisions. Company-wide
information relates to
PotashCorp and its subsidiaries.
It does not include performance
of the companies in which we
have a minority investment —
Sociedad Quimica y Minera de
Chile S.A. (SQM), Arab Potash
Company Ltd. (APC), Israel
Chemicals Ltd. (ICL) and Sinofert
Holdings Limited.

Except where noted, all currency
figures are stated in US dollars.

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organizational profile

PotashCorp* is the world's largest fertilizer enterprise by capacity, producing potash, nitrogen and phosphate products — the three primary plant nutrients.

It is the world's largest potash producer, with almost one-quarter of global capacity, the second largest ammonia producer and third largest producer of phosphate.

The company's products are used by fertilizer, feed and industrial customers on six continents.

PotashCorp has its head office in Saskatoon, SK, a major corporate office in Northbrook, IL, and production facilities in four countries.



POTASH	1 Allan SK 2 Cory SK 3 Esterhazy SK ¹ 4 Lanigan SK 5 Patience Lake SK 6 Rocanville SK 7 Sussex NB
NITROGEN	1 Augusta GA 2 Geismar LA 3 Lima OH 4 Trinidad
PHOSPHATE	1 Aurora NC 2 Cincinnati OH 3 Fosfatos do Brasil 4 Geismar LA 5 Joplin MO 6 Marseilles IL 7 Weeping Water NE 8 White Springs FL
INVESTMENTS	1 Israel Chemicals Ltd. (ICL), Israel (10 percent) 2 Arab Potash Company Ltd. (APC), Jordan (28 percent) 3 Sinofer Holdings Limited (Sinofer), China (20 percent) 4 Sociedad Quimica y Minera de Chile S.A. (SQM), Chile (32 percent)

¹ PotashCorp's mineral rights at Esterhazy are mined by Mosaic Potash Esterhazy Limited Partnership under a mining and processing agreement.

a message from our President and CEO

The theme of this report — *Yesterday Today Tomorrow* — could not be more appropriate for PotashCorp. It looks back to our roots and stretches forward into our future.

In 1990, our first full year as a publicly traded Canadian potash company, our 1,242 employees achieved sales of \$197 million and net income of \$18 million (according to the accounting principles we were then using). In 2007, as a global company with all three primary nutrients and 5,003 employees, our sales topped \$5.2 billion with net income of \$1.1 billion. Already a world leader in our industry, we are expanding to ensure we will be an equally strong and sustainable company tomorrow. More than ever, our core mission is aligned with sustainable business practices because we are determined to meet the needs and expectations of our stakeholders.

Today, it's a much different world we are preparing for, a world of surging population, rising incomes in developing countries and shifting appetites. By 2050, the world's population is expected to reach 9.2 billion people compared to 6.7 billion in 2007. This dramatic growth makes increased food production imperative — and that is what is driving the rising demand for our products.

Helping the World's Farmers Feed the World

A fundamental shift is occurring, particularly among the growing populations in China, India and other Asian countries. The strengthening economies in these regions mean many people have higher incomes that enable them to improve their quality of life, starting with the quality of their diets. Millions of people can now afford more and better food, especially meat, and are switching from starch- to protein-based diets.

As a result, the world's farmers need to produce not only more food for people but more grain to feed livestock, while fast-growing cities and necessary infrastructure are shrinking the available farmland per capita.

Achieving the necessary sustainable increases in food production will require the continued application of fertilizers that replenish soil nutrients. That is where PotashCorp comes in. Now and over the long term, we are doing our part to help feed the world.

Planning Today for Tomorrow

To keep pace with rising global demand for potash, we will spend \$4.5 billion over the next five years to expand our operating capacity, from 10.8 million tonnes in 2007 to 15.7 million tonnes by the end of 2012, and potentially more by 2015. We are uniquely able to deliver such an expansion, and the industry needs it, as world demand is expected to grow by more than 2 million tonnes annually over the next several years.

Not Just Feeding the World — Protecting It

At the same time, we have not lost sight of our other responsibilities. They are part and parcel of our mission to help feed the world.

Protecting the environment is an important part of our sustainability story. Without fertilizers to maximize soil productivity, the world's farmers would need millions more acres of farmland to produce the same amount of food. That would mean destroying more grasslands and forests, the planet's greatest offset to greenhouse gas emissions.

Over the last 5 years, we have increased environmental spending by more than 100 percent to monitor and reduce water discharges, air emissions and waste accumulation. We are continuing to look to the future, and this year we set a five-year target to reduce greenhouse gas emissions by 10 percent per tonne of product.

Do No Harm

Not only do we strive to do no damage to the environment, we also work daily toward our goal of no harm to people, with no accidents at our offices and operations.

Our commitment to and success at protecting our workforce are reflected in our lost-time injury frequency rate, which in 2007 fell to its lowest level ever.

Success, Shared

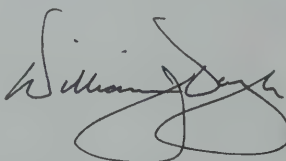
In 2007, as a result of rising demand for our fertilizer products, PotashCorp achieved a fourth consecutive year of record earnings. We are using this financial strength to expand our production capacity to help us meet the world's growing demand for food.

We also recognize that our company's success is largely attributable to the collective efforts of our dedicated employees. To enable them to share in PotashCorp's prosperity, we again expanded our short-term incentive program so that all employees now participate in an annual bonus program beginning in 2008. This represents an increase in the number of eligible participants in this performance-based program from 218 in 2005 to more than 5,000 in 2008.

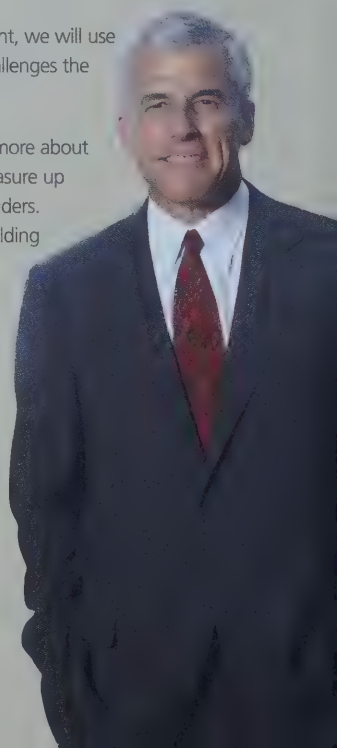
The economic, environmental and social targets we set reflect our strategies for long-term growth and sustainability by protecting the environment, supporting healthy communities and operating a business enterprise that provides value to employees, investors, customers, suppliers and our neighbors.

With foresight, hindsight and insight, we will use our resources to help meet the challenges the world faces today and tomorrow.

In the pages ahead, you will read more about our performance and how we measure up to the expectations of our stakeholders. Learning from the past, we are building a company today that will play an important role in the changing world of tomorrow.



WILLIAM J. DOYLE
President and CEO PotashCorp
June 9, 2008





a message from the PotashCorp Sustainability Committee

At PotashCorp, we recognize that sustainability encompasses much more than measured progress toward specific goals. It is also about the core values, policies and practices deeply embedded in our culture and in how we conduct ourselves on a daily basis. Of course, the data we gather to track our performance help us develop strategic directions to ensure our long-term sustainability. But it takes vision, creativity and honesty to use that data to initiate positive change and ensure long-term growth.

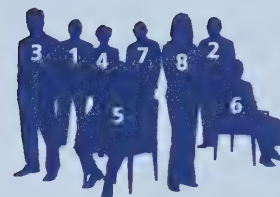
This Sustainability Committee is responsible for overseeing and managing PotashCorp's overall sustainability program. In 2007, the committee took steps to drive sustainability deeper into the corporation by creating a management structure that included:

- Increasing the size of the committee. In addition to the Chief Operating Officer, the Senior Vice President of Administration and the Vice President of Safety, Health and Environment, the committee now benefits from the participation of the Chief Financial Officer, General Counsel, the President of PCS Sales, the Senior Director of Corporate and Government Relations and the Director of Investor Relations. These new members have broadened the committee's strategic vision.
- Appointing a full-time Manager of Sustainability who is facilitating the implementation of objectives and projects initiated by the committee.
- Establishing a team of plant site-based Sustainability Coordinators to help advance sustainability initiatives throughout the company.
- Creating a Climate Change Subcommittee, which has established a basic strategy for addressing issues around climate change. This subcommittee has set a five-year target to reduce greenhouse gas emissions by 10 percent on a per tonne of product basis.

A major initiative of the committee has been to develop goals and targets that more directly equate to measurable improvements in sustainability. To accomplish this, we have established general performance goals tied to measurable targets. The targets are broad in nature and can be measured year after year to accurately show our progress. As in the past, these goals and targets are subject to further revision and refinement as we focus on improving various aspects of PotashCorp's sustainability performance.

For example, we recognized a need for a measurable donations target tied to PotashCorp's overall financial performance. Accordingly, the committee proposed and the PotashCorp Board of Directors approved an annual philanthropic donations target of 1 percent of after-tax earnings on a five-year rolling average. We are also seeking to raise individual participation in the company's matching gift program by 10 percent and increase total donations by 20 percent year over year.

In this, our sixth Sustainability Report, you will find more evidence of how our committee is learning from yesterday, managing sustainability today and establishing a strategic direction toward even greater sustainability for tomorrow.



1 Wayne R. Brownlee
Executive Vice President
and Chief Financial Officer

2 James F. Dietz
Executive Vice President
and Chief Operating Officer

3 G. David Delaney
President, PCS Sales

4 Barbara Jane Irwin
Senior Vice President,
Administration

5 Joseph A. Podwika
Senior Vice President, General
Counsel and Secretary

6 John R. Hunt
Vice President, Safety,
Health and Environment

7 Thomas C. Pasztor
Senior Director, Corporate
and Government Relations

8 Denita C. Stann
Director, Investor Relations

why the most important
production figure we'll ever
achieve is zero



Everyone wants a safe place to work. But safety takes on a special significance when your own son's well-being is at stake each day, 3,000 feet below the earth's surface.

Orey Hudym says he put his trust in PotashCorp's safety culture when his son Trevor joined him at the company's Rocanville, SK potash mine. He would be comfortable and proud to see his grandson follow in their footsteps, he added.

Now retired, Orey started his 35-year career working underground during the mine's construction. Trevor was an equipment operator for 10 years, and now supervises the site's warehouse. His son, Cody, just graduated from high school and is considering a career of his own at Rocanville.

"I felt as safe underground as I did on the surface, and that's pretty safe," said Orey.

"I feel comfortable that my son and my grandson, if he chooses, are in good hands at Rocanville. If it wasn't safe, I wouldn't recommend it to them."

He saw many advances in safety during his career, including stricter procedures to lock out hazardous energy sources and an increasing emphasis by management and employees to make safety the top priority.

Trevor's experience includes first-hand mine rescue training. "I received well-rounded training," he said. "It's a combination of management giving us the tools we need and all the employees putting safety first, before production, or making the job easier, or anything."

Cody's already taken the mine's Family Day tour and will soon be making up his mind about whether to pursue a career at PotashCorp.

"They showed us a lot of things," he said.

"Even the machines they use seem really safe. It looks like a pretty good situation."

"I FEEL COMFORTABLE THAT MY SON AND MY GRANDSON, IF HE CHOOSES, ARE IN GOOD HANDS AT ROCANVILLE. IF IT WASN'T SAFE, I WOULDN'T RECOMMEND IT TO THEM." — OREY HUDYM



SAFETY GOALS, TARGETS AND RESULTS

GOAL

To have no harm to people, no accidents.

2007 TARGET

Reduce recordable injury rate by 15 percent from 2006 level.

RESULTS

Not Achieved. Recordable injury rate increased by 9 percent.

2008 TARGET

Reduce recordable injury rates by 15 percent from 2007 level.

2007 TARGET

Reduce lost-time injury rate by 40 percent from 2006 level.

RESULTS

Achieved. Lost-time injury rate was reduced by 48 percent to a record-low 0.20.

2008 TARGET

Reduce lost-time injury rates by 20 percent from 2007 level.

safety comes first

Given the safety culture at PotashCorp — which has impressed three generations of the Hudym family — it's not surprising that our safety performance is always top-of-mind.

Every board meeting begins with a safety update, and the compensation of all of our employees at our production facilities is tied to our safety record. A senior management team is dedicated to improving the work environment and safety practices at all our operations — which includes creating site-specific *Safety Action Plans* for our 18 production facilities.

We are confident these efforts helped us achieve the lowest lost-time injury rate in our history in 2007 and bring the *Severity Injury Index* to its lowest level since it was first tracked in 2004.

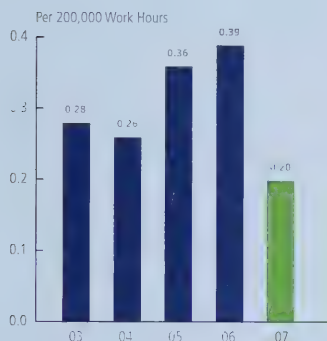
A primary focus in 2007 was on using the Leadership Diagnostic Instrument (LDI) to evaluate many employees who are in safety leadership roles at the plant sites.

After the LDI has been completed, specific action plans are developed to improve the effectiveness of each leader. External coaching is provided to the leader as part of the process.

A critical component of our safety program is the Behavioral Accident Prevention Process (BAPP®). This relies on our employees to make behavioral observations of fellow employees, identifying safe and at-risk behaviors in the work environment through immediate feedback. By identifying and collecting this data, we can proactively reduce at-risk behaviors. Many of our sites have shown great progress in increasing the number of observations completed and, equally important, many have worked on improving the quality of the observations.

While we're proud of these achievements, we're never satisfied, because our ultimate goal today, and every day, is to have zero injuries. We're always putting extra emphasis on eliminating or reducing the exposure to any injury.

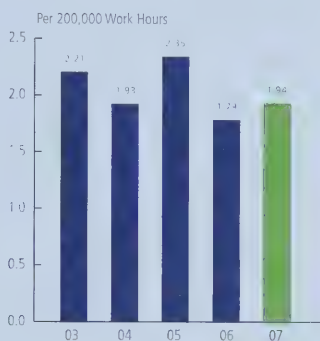
Lost-Time Injury Frequency Rate



Source: PotashCorp

In 2007, the lost-time injury rate was reduced by 48 percent from the previous year, to a record-low 0.20. This injury rate is defined by OSHA, and is generally more serious than a recordable injury and involves a work-related injury serious enough to prevent the injured person from being able to return to work on their next scheduled workday.

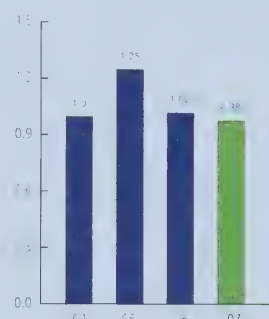
Recordable Injury Frequency Rate



Source: PotashCorp

PotashCorp achieved another relatively low overall recordable injury rate in 2007. Despite record recordable injury performance in both the nitrogen and phosphate divisions, more injuries in potash meant the company-wide rate was 9 percent above the record low achieved in 2006. A recordable injury is an injury not serious enough to lose time from work but does require medical treatment beyond first aid.

Severity Injury Index



Source: PotashCorp

This index tells PotashCorp safety managers if efforts to reduce major injuries are succeeding. In 2007, the severity index was about 4 percent lower than in 2006, the lowest since it was tracked in 2004.

SAFETY AWARDS 2007

POTASH DIVISION

2007 Saskatchewan Emergency Response Competition:

Allan: Overall Underground winner, Underground Mine Problem award

Patience Lake: Overall Surface winner, winner in Surface First Aid and Firefighting and Practical Skills categories

Lanigan: Underground First Aid award

Cory: Underground Firefighting award

Rocanville: Underground Practical Skills award

Other potash awards:

New Brunswick: New Brunswick Mining Association Mineral Industry trophy for the lowest injury frequency rate in the province for 2006 and CIM-New Brunswick Branch trophy for the lowest accident severity in mines in the province for 2006

Patience Lake: Saskatchewan Mining Association Safety Award for achieving a zero injury rating

PHOSPHATE DIVISION

Aurora: Eighteen departments received North Carolina Department of Labor Safety Awards

Weeping Water:

- For the twelfth year, Platinum Award of Honor with distinction from the National Safety Council of Greater Omaha
- Sentinels of Safety Award from the Mine Safety and Health Administration for 9,981 employee hours worked underground without a lost-time injury in 2007

- Peak Performance Award from the Nebraska Safety Council

- Pinnacle Award from Union Pacific for Chemical Transportation Safety

NITROGEN DIVISION

Lima:

- West Central Ohio Safety Council award for 2007 safety performance
- Ohio Chemistry Technology Council's 2007 Excellence in Environmental, Health, Safety and Security Performance Award
- National Petrochemical and Refiners Association award for three years without lost-time accidents

local farmer a partner in environmental efforts

Floyd Peed has been farming more than 1,000 acres of land near Aurora, NC since the early 1960s. His father Russell farmed the land for decades before him, and his sons, Jeffrey and Scott, and their families are continuing the tradition.



Carson Peed, his father Jeffrey and his grandfather Floyd.

Floyd and his father sold some of their farmland for the phosphate mine that PotashCorp operates today near Aurora.

"It's weird, but the thought of selling some of our property never really bothered me," Floyd Peed said. "But finding a buyer we could trust scared the heck out of me. I would only sell to a true environmentalist, because they were going to be our neighbors. And with PotashCorp, all I can say is we couldn't have picked a better neighbor. We know we can trust them to do the right thing."

Today the Peeds consider PotashCorp a partner in their land conservation efforts.

Together they maintain the ditches and waterways that traverse the farm and protect it from erosion and runoff.

"They work with us to keep the land both productive and protected," says Jeffrey, a third-generation Peed farmer. "Their wetland areas are beautiful, and the deer, quail and fish populations in the area are really building up. They're also not looking to become a land developer, so the land is being

kept in agriculture and in natural areas. That helps everybody thrive, without overdevelopment."

Officials at the Aurora mine reciprocate their admiration.

"The Peeds are excellent farmers, they maintain their land, replace the soil nutrients removed by their crops to achieve high yields, practice no-till, pay close attention to drainage, and their crop land is identifiable because of the excellent condition it is in," said Curtis Brown, Land Supervisor, PCS Aurora.

"AND WITH POTASHCORP, ALL I CAN SAY IS WE COULDN'T HAVE PICKED A BETTER NEIGHBOR.

WE KNOW WE CAN TRUST THEM TO DO THE RIGHT THING." — FLOYD PEED

our goal: no damage to the environment

Like the Peed family, PotashCorp has a long history of environmental stewardship and a commitment to improve in this area year after year.

In 2007, we invested a record amount in environmental spending, both in operating costs and long-term capital improvements. In addition, we strive to be aggressive in the annual and long-term environmental targets we develop.

Our carbon management strategy announced in 2007, for example, includes a voluntary commitment to reduce greenhouse gas (GHG)

emissions by 10 percent per tonne of production over the next five years.

To achieve this ambitious objective, we constantly look for ways to improve our monitoring and to reduce GHG emissions. We committed to install N₂O monitors at two of our nitric acid plants in 2008. This will assist us in establishing baseline emission rates and quantify any future GHG reductions at our Augusta and Geismar facilities. We joined the Chicago Climate Exchange (CCX) in 2007, and in doing so we made a binding commitment to reduce carbon dioxide equivalences by more than 1,500,000 tonnes under the CCX guidelines.

Environmental Costs

Environmental Costs by Division (\$ millions)	2007	2006	2005	2004	2003
Potash	57.5	36.3	28.3	25.1	18.4
Nitrogen	27.3	16.4	16.3	14.3	15.0
Phosphate	91.9	74.8	73.0	59.1	53.1
Total Environmental Expenses	176.7	127.5	117.6	98.5	86.5

In 2007, PotashCorp increased spending on environmental efforts by 39 percent. Among the increases were site reclamation costs in the phosphate division and pollution abatement and control costs — both operating and capital — in the potash division.

ENVIRONMENT GOALS, TARGETS AND RESULTS

GOAL

To have no damage to the environment.

2007 TARGET

Develop targets for GHG emissions.

RESULTS

Achieved. We set a five-year target to reduce GHG emissions per tonne of product.

2008 TARGET

Reduce company-wide greenhouse gas emissions per tonne of product by 10 percent by the end of 2012, compared to 2007.

2007 TARGET

Develop five-year targets for improvements in energy efficiency.

RESULTS

Not Achieved. We set a five-year target for GHG instead. A one-year target for energy efficiency was established.

2008 TARGET

Maintain energy usage per tonne of product produced at 2007 levels.

2007 TARGET

Improve energy efficiency in Trinidad by 3 percent from 2006 level.

RESULTS

Not Achieved. The efficiency of Trinidad's ammonia plants increased by 2 percent in 2007.

2007 TARGET

Reduce reportable releases and permit excursions by 10 percent from 2006 levels.

RESULTS

Not Achieved. Total reportable releases and permit excursions remained unchanged.

2008 TARGET

Reduce reportable releases and permit excursions by 15 percent from 2007 levels.

2007 TARGET

Continue research into and evaluation of salt-tolerant vegetative cover for use on marginally saline soils near potash sites to protect the ground from wind and water erosion.

RESULTS

Achieved. PotashCorp, as part of the Saskatchewan Potash Producers Association, continues to conduct research in this area.

Total GHGs/tonne (as CO₂ equivalent) Normalized GHG Emissions

	2007	2006	2005	2004	2003
Potash (tonnes GHG/tonne KCl)	.05	.05	.05	.05	.06
Nitrogen (tonnes GHG/tonne N)	2.54	2.71	2.66	2.57	2.77
Phosphate (tonnes GHG/tonne P ₂ O ₅)	0.48	0.41	0.43	0.42	0.46
Company-wide (normalized GHGs)	2.20	2.36	2.30	2.22	2.41
Company-wide (absolute 000 tonnes GHGs)	9,004	8,166	8,199	7,741	8,500

Source: PotashCorp

Total GHG emissions rose in 2007 due to increased production. Per-tonne of product produced GHG emissions are decreasing in our potash division as greater production makes the process more efficient. Per-tonne nitrogen GHG emissions decreased due to the mix of products produced. Per-tonne phosphate emissions increased due to the products produced.

Our target is to decrease the 2007 company-wide normalized GHGs by 10 percent, from 2.20 to 1.98, by 2012. To reach this target will require absolute GHG emissions to decrease significantly. To learn more about how the company normalizes GHG emissions and meeting our target, see the online report.

Water Used in Operations by Source

(million cubic meters)	2007	2006	2005	2004	2003
Well Water	33.4	38.9	49.9	55.6	54.4
River Water	107.1	101.8	98.8	160.0	148.2
Municipal, Desalinated and Industrial Water	10.3	11.1	12.5	16.9	17.9
Total Water Withdrawn	150.8	151.8	161.2	232.5	220.5
Recycled Water	897.9	921.1	953.6	944.1	914.4
Total Water Used in Operations	1,048.7	1,072.9	1,114.8	1,176.6	1,134.9

Source: PotashCorp

PotashCorp recognizes that water is a precious resource. The vast majority of water used by PotashCorp is recycled. In 2007, we used 1,048.6 million cubic meters of water at all our operations. More than 85 percent of that amount was recycled. With increasing water efficiency at our phosphate operations, total fresh water use has been declining since 2004.

Excursions and Fines

	2007	2006	2005	2004	2003
US Reportable Quantity Releases	6	9	20	18	16
Permit Excursions	11	8	11	30	23
Provincial Incident Reports (spills)	10	9	11	4	4
Fines	\$2,200	\$11,860	\$1,100	\$4,970	\$2,028,510

Source: PotashCorp

Our aim is to have all incidents reported and addressed quickly, and their occurrence reduced. We perform a root cause analysis on all environmental events including near-misses. The information gained is shared with all of our sites. Our Aurora, NC phosphate facility had a perfect record of no reportable quantity releases or permit excursions in 2007. At all 18 operating facilities, there was only one fine in 2007.

bridging the generations with a musical bond

The lively, melodic sound of the steel pan drum is both the national music and the national love of Trinidad and Tobago. With steel bands in every neighborhood, the music is embedded in the culture.

One of the top bands in the Caribbean nation is the PotashCorp Starlift Steel Band. "Steel pan originated in Trinidad and Tobago and is the only truly new instrument to be developed in the world in the last 100 years," said Julia Gomes, Human Resource Manager at PCS Nitrogen — Trinidad. "It is integral to our nation's culture and that is why the company has proudly sponsored the band with contributions totaling more than \$250,000."

"POTASHCORP IS THE BREAD OF LIFE IN OUR COMMUNITY."

— STARLIFT MEMBER ROLPH CLARKE

The steel pan is a pitched percussion instrument made from a 55-gallon oil drum that is heated over fire and hammered into shape. Its curved surface is covered with oval dents that produce various tones from the musical scale. Steel pan music requires a large group of players, so Starlift has many young members.

"PotashCorp is the bread of life in our community," says Starlift member Rolph Clarke. "Their support of Starlift is a great example of how they are committed to their employees and their community."

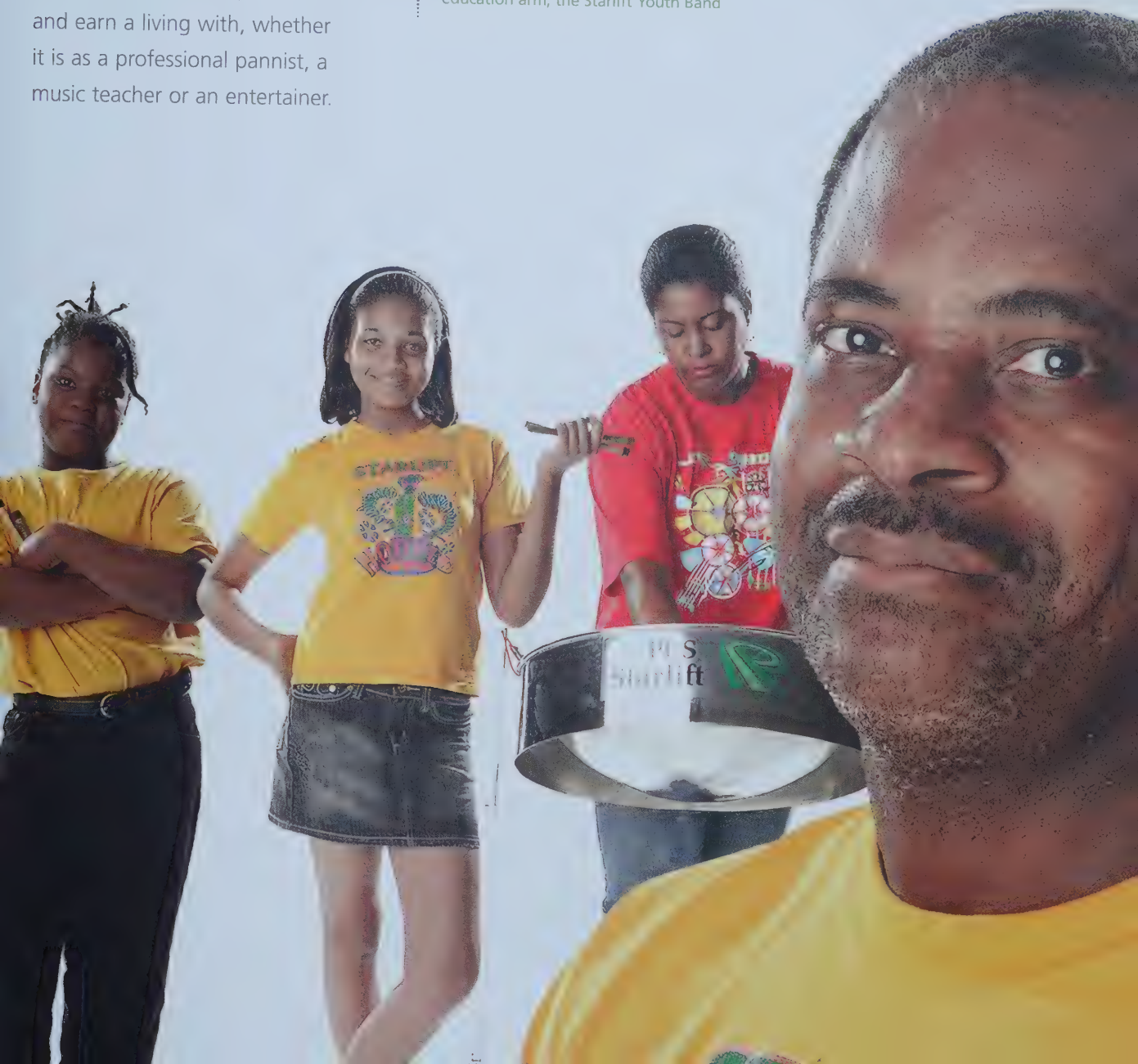
Starlift band members also act as mentors to the Starlift Youth Band, teaching children ages 5–17 to play the national instrument while instilling discipline and respect.

"Serving the community and mentoring youth are among the Starlift band's most important accomplishments," said band captain Barry Mannett. "We want our children to keep this tradition alive and help it grow for many tomorrows to come."



Beyond sustaining an important cultural tradition, PotashCorp is committed to helping give Trinidad's young people a vocation they can be proud of and earn a living with, whether it is as a professional pannist, a music teacher or an entertainer.

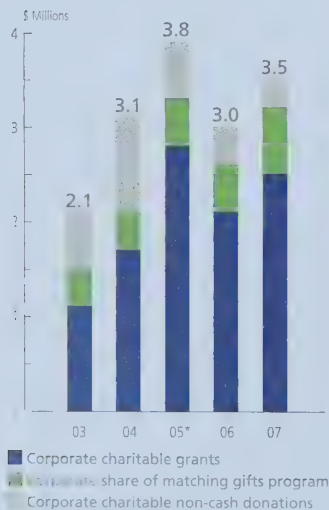
PotashCorp has been a strong supporter of Trinidad and Tobago's Starlift Steel Band for more than 10 years. Not only is the adult steel pan band among the island nation's top bands, it keeps the tradition alive through its musical education arm, the Starlift Youth Band





having PotashCorp in your community should make it a better place to live

Corporate Charitable Donations



The PotashCorp Starlift Steel Band is just one example of our efforts to contribute to each of the communities where we have operations. We strive to make a real difference, not just by providing good jobs with competitive pay, but through other forms of community investment.

Just as we've made capital investment a priority so we can meet future generations' need for our products, our donations focus on youth and education to sustain the future of the communities where we do business. The Starlift band members mentor the Starlift Youth Band, which is another reason why this program is a good fit for our sponsorship.

Our Manager of Community Relations, former Dallas Cowboy D.D. Lewis, runs a community outreach program that includes speaking engagements at schools and local groups across North America. The five-time Super Bowl veteran gave eight anti-drug-and-alcohol presentations to approximately 2,490 school children in 2007, recounting his struggles with addiction and his road to recovery.

PotashCorp's management and Board of Directors support education as the cornerstone for improving people's quality of life. As a result, 58 percent of our corporate cash donations went to educational charities in 2007.

We also set goals for our annual giving. The board resolved that we would target our community investment activities at 1 percent of after-tax income, calculated using a historical, five-year rolling average starting in 2008. In 2007, the company's donations totaled \$3.5 million.

Not only are we seeking to increase our annual giving, we are working to increase community investment by our production facilities by earmarking for them a portion of the overall corporate donations budget. We want to make sure these facilities have extra funds available when donation opportunities arise in their local communities.

To gauge our impact in the community, both in terms of philanthropy and as an employer and business operator, each year the company surveys local leaders. In 2007, we surveyed community leaders in Allan, SK, Geismar, LA, and Sussex, NB.

We found that, while the overall impression of the company is very positive, more must be done to make our neighbors aware of our community activities. We believe our enhanced local donations program will let more people know how PotashCorp is helping in their communities.



PotashCorp helps preserve Mayan ruins of Guatemala's Mirador Basin

About 2,500 years ago, an amazing Mayan civilization emerged in the northern Guatemala rainforest, which today hides hundreds of ruined cities and towns. PotashCorp has contributed \$60,000 for the excavation and preservation of this important piece of the Americas' past.

Historically important, the Mayan civilization being uncovered is also an early demonstration of the importance of soil fertility. The civilization grew up around the area's special marsh mud, which farmers used to supply nutrients to their fields and terraces. It is also believed to have collapsed, in part, when the land could no longer support the growth of the society.

"These are the oldest Mayan ruins found," said Stephen Dowdle, Senior Vice President, Fertilizer Sales, an agronomist who studied cultural anthropology as an undergraduate. This thousand-year-long civilization in the remote Mirador Basin dates to the Preclassic period (2500BC-AD150), much older than better-known Mayan ruins.

"The archaeological work in Mirador is going to need a lot of support from the private and public sectors to excavate so the world can come and see the ruins."

Long-time PotashCorp customer Roberto Dalton, a prominent local businessman, and International Sales Manager Dandan Xiang brought the project to the company's attention. Dowdle visited the area with them, accompanied by Guatemala's President Alvaro Colom.

They flew by plane and helicopter and hiked for two hours to the world's largest pyramid by volume just two days after Dowdle handed President Colom PotashCorp's check to help the work spearheaded by

archaeologist Richard Hansen. The President passed it to the Asociacion de Amigos del Patrimonio Cultural y Natural de Guatemala Balam-Kan (APANAC).

"Hansen is attempting to find a sustainable way to bring tourists to the area, and not destroy it," Dowdle said. Because the 600,000-acre basin contains the largest remaining rainforest in Guatemala, it is as ecologically valuable as it is culturally important.

The ruins are all that remain of the hemisphere's first state-level society, an advanced, powerful civilization that grew up in part because of the advantages afforded by the marsh mud, believes Hansen, who has worked in the area for 27 years.

But, as the society prospered, Dowdle said, buildings became larger, requiring greater quantities of wood and limestone to make lime. The deforested highlands eroded, covering with clay the marsh mud that ensured soil fertility and the civilization quickly collapsed.

"This is just another example of how stewardship of soil fertility can define a civilization," he said. "You can relate the rise and fall of many societies to soil fertility."

For him, however, the expedition's most telling moment came when he crawled after Richard Hansen through a tunnel and put his hands in the stone prints of the man who had hung on there while plastering, 3,000 years ago. He marvels at the opportunity, "in a tactile sense, to connect with someone from so long ago. You don't get to do that every day."



COMMUNITY GOALS, TARGETS AND RESULTS

GOAL

To strengthen relationships with and improve the socioeconomic well-being of communities.

2007 TARGET

Continue to be engaged with community support projects at each of our plants and offices.

RESULTS

Achieved. Activities included Habitat for Humanity in Saskatoon, SK and the Food Pantry in Glenview, IL. For all of our activities see the Facilities section in the online report.

2007 TARGET

Survey community leaders and implement appropriate responses to survey results.

RESULTS

Achieved. Community surveys were conducted at Allan, SK, Sussex, NB and Geismar, LA and actions have been taken to address community needs.

2008 TARGET

Achieve 4 out of 5 on each community leader survey.

2007 TARGET

Achieve a 10 percent increase in individual participation in the matching gift program and a 20 percent increase in total donations from 2006 levels.

RESULTS

Partially Achieved. Achieved a 15 percent increase in individual participation in the matching gift program and a 15 percent increase in total donations.

2008 TARGET

Achieve a 10 percent increase in individual participation in the matching gift program and a 20 percent increase in total donations from 2007 levels.

2007 TARGET

Review current philanthropic program against industry benchmarks and determine if changes are required.

RESULTS

Achieved. PotashCorp has established its commitment to charitable donations at 1 percent of after-tax earnings. The company has also developed a philanthropic philosophy to ensure that its donations achieve their strategic aim.

2008 TARGET

Meet our annual philanthropic donations target of 1 percent of after-tax earnings on a five-year rolling average.

growing together:

how personal relationships sustain business partnerships

When Scott and Hovey Tinsman Jr. went into business 50 years ago, forming Twin State, Inc. to sell fertilizer to farmers in Iowa and Illinois, they began by building personal relationships with their customers.

"A business like this grows on trust and respect — that's a lesson you learn fast when you're selling to farmers," said Hovey. "With our suppliers, the company names have changed, but the solid relationships stick around."

The Tinsmans began buying nitrogen products in the late 1950s from a company named Arcadian. A decade later, their relationship with phosphate supplier Texasgulf started. Both those companies have since become part of PotashCorp, and Hovey says PotashCorp is better for it.

"Our loyalty runs strong with the people we work with and trust," he said. "We know that PotashCorp delivers a high-quality product, that their shipping is run well and timely and they're committed to working with their customers. But it's the relationships — the people — that make that kind of consistency happen."

"Twin State is a family business that operates with professionalism and integrity," says David Delaney, President of PCS Sales. "These qualities extend throughout the Twin State organization. Honesty, integrity and hard work are the cornerstones of the business that the Tinsmans have built. Their success is no accident."

Delaney's been doing business with Twin State for 20 years, and even today, when nitrogen, phosphate and potash supplies are tight, the business relationship is strong, Hovey said.

"The main thing is to be able to share what you see on the horizon, with both supply and demand," he said. "It's a two-way street. It helps to know that PotashCorp is looking to tomorrow and investing in its potash mines."



"THE MAIN THING IS TO BE ABLE TO SHARE WHAT YOU SEE
ON THE HORIZON ... IT'S A TWO-WAY STREET." — HOVEY TINSMAN JR.

"Our business is not for sale, it's been
gifted to the next generations — my
sons' and nephew's families," he
added. "As we grow, we want to know
that our supplier is growing right along
with us. Clearly, that is what
PotashCorp is doing."

The Tinsmans: (from left to right)
Hovey Tinsman Jr., Scott Tinsman,
Hovey Tinsman III, Bruce Tinsman
and Scott Tinsman Jr



**CUSTOMER
GOALS, TARGETS AND RESULTS**

GOAL

To meet customer needs and expectations.

2007 TARGET

Highlight activities of three additional agricultural retailers or dealers to extend the reach of the company's "Enriching" campaign, which promotes sustainable practices among our business partners.

RESULTS

Achieved. The Perspectives section of the *Enriching* website features stories on the MFA Foundation, Clean Water Alliance and Brandt Consolidated.

2007 TARGET

Conduct annual surveys to monitor customer attitudes about quality and service.

RESULTS

Achieved. PotashCorp again conducted an extensive third-party survey with each of our customer groups to gauge satisfaction. The results were reported to the Board of Directors, management and customers.

2007 TARGET

Outperform competitors on quality and service as measured by customer surveys.

RESULTS

Partially Achieved. Based on results of 2007 customer surveys, we outperformed all our competitors in customer service in all four product groups, outperformed all competitors for product quality for two product groups, finished second of eight competitors in fertilizer quality ratings and third in purified phosphoric acid quality ratings.

2008 TARGET

Outperform competitors on quality and service as measured by customer surveys.

preparing to meet customer demand, today and tomorrow

The biggest challenge facing our customers, like the Tinsmans of Twin State, Inc., is making sure they have a reliable supply of the fertilizers farmers need to meet the rising global demand for grain.

Worldwide, agricultural companies big and small are dealing with market dynamics that have accelerated fertilizer demand and tightened availability.

The emerging economies in developing nations are driving this surge in fertilizer demand. People in these countries are enjoying higher personal incomes that let them change their diet from starch- to protein-based foods such as meat, milk and eggs. Protein production requires a great deal of grain, and producing that requires fertilizer.

However, this new demand for grain is occurring at a time when inventories are falling and the stocks-to-use ratio for wheat and coarse grains is the lowest it has ever been.

Global fertilizer supply has increased, albeit modestly. PotashCorp, for example, sold 33 percent more potash, 39 percent more nitrogen and 4 percent more phosphate fertilizer in 2007 than in 2006. However, demand is still outpacing production, keeping supplies tight, particularly in potash.

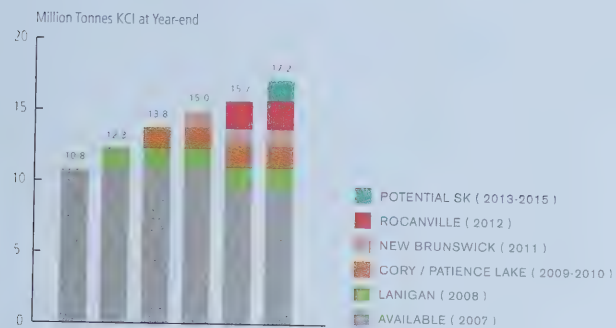
This situation was borne out in our annual surveys of customers, who named reliability of supply and price volatility as their top concerns in 2007.

Fortunately, we began investing heavily in expansions before this supply squeeze. We have \$4.5 billion in potash projects under way that will bring nearly 5 million tonnes of additional operating capacity on stream by 2012 and up to 6.4 million tonnes by 2015. Debottlenecking projects and other upgrades have increased ammonia production, and a phosphate debottlenecking project is under way.

In addition to these expansion initiatives, PotashCorp continues to strive to offer customers the highest overall value, with around-the-clock service. We also maintain more than 150 warehouses across North America, which helps ease the supply strain by ensuring product is available to customers when they need it.

In a world clamoring for more crop nutrients, our efforts are firmly focused on providing for our customers' needs today and tomorrow.

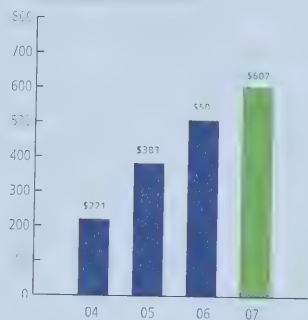
PotashCorp Potential Potash Operational Capacity



*Reduction for PotashCorp's share of Esterhazy reserve depletion

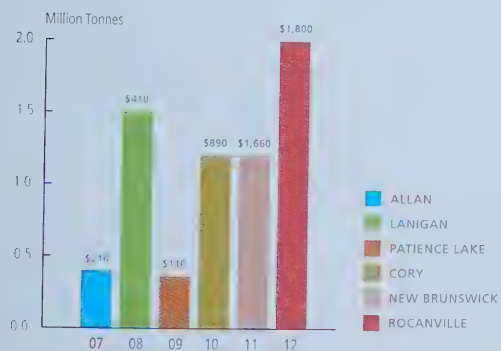
Source: PotashCorp

Capital Improvements: Investing in Our Customers' Future



Source: PotashCorp

Potash Expansions: Helping Our Customers Reach Their Full Potential



Investment in CDN \$ millions

Source: PotashCorp



family finds PotashCorp

an investment for the future

When you're part of a family-owned business, you tend to think about the long term. That goes for your investments, too.

PotashCorp shareholder Brent Wortell owns Triton Industries, the Chicago precision metal stamping and fabrication company that his father Marvin founded. When Brent was younger, his dad purchased stocks for him to help secure his future. Over the years, Brent has added to his investment portfolio, including shares of PotashCorp stock. And — like his father — he has done the same for his children, buying “POT” shares for them.

“To me, this stock represents a chance for my children to one day pay for grad school or put a down payment on a house,” he explains.

In PotashCorp, Brent sees a company that is positioned for the long haul. He likes not only its unmatched natural resources but also the way it manages those resources with an eye to the future. He says he doesn't have to worry about it on a day-to-day basis, largely because he sees open, honest governance in place.

“When you do have questions, this is a company that gives you the answers you need. It has a strong record of transparency.”

Brent is also impressed by a company that is doing well by doing good. One of the reasons he has invested in PotashCorp is its proven record of safeguarding the environment and its employees while strengthening the communities in which it operates.

“I can feel good about investing in this company for more than one reason,” Brent says. “Sure, they have strong financials — they had a 200 percent rise in share price in 2007 — but they have a great value system that guides their business, too.”

“For my family, this is an investment in the future — not a trade. It's a stock you hold on to.”



generating value today with an eye to tomorrow

ECONOMIC GOALS, TARGETS AND RESULTS

GOAL

To meet the needs and expectations of our providers of capital.

2007 TARGET

Exceed total shareholder return performance for our sector* and companies on the Dow Jones US Basic Materials Index (DJUSBM) for 2007.

RESULTS

Achieved. Our total shareholder return in 2007 was 202 percent, exceeding the 141 percent generated by our sector and the 30 percent return of the DJUSBM.

2008 TARGET

Exceed total shareholder return for our sector and companies on the DJUSBM for 2008.

2007 TARGET

Carry a higher multiple than the average of other fertilizer companies on both earnings and cash flow.

RESULTS

Achieved. Throughout 2007, our multiples were higher than the average of other fertilizer companies on both earnings and cash flow.

2007 TARGET

Achieve a 15 percent compound annual growth rate in gross margin over the next five years.

RESULTS

Achieved. 88 percent growth in gross margin over 2006 and a five-year gross margin compound annual growth rate of 44 percent.

*Sector = Mosaic, Agrium, Yara, ICL, SQM and K+S

PotashCorp shareholders like Brent Wortell know what they like about our company — financial strength, world-class natural resources sustainably managed, strong and transparent governance, and a drive for sustainability through a value system that emphasizes the environment, safety and community.

Those factors mesh to build our economic value. It is how this value is distributed, and invested, that defines our ability to sustain the company — and live up to our larger mission of helping to feed a growing world for generations to come.

In this 2007 sustainability report, we want to focus on this distribution of economic value, for it really deals with what PotashCorp contributes. Based on the G3 framework, the economic value distributed in 2007 was a record \$4.04 billion, up nearly \$900 million from 2006.

That includes record payroll distributions to our employees, record taxes paid to various governments and record purchases of many kinds of goods and services.

Our financial strength enables us to draw on our potash resources to keep pace with soaring demand for this, our core product. In 2007, we announced \$4.5 billion in projects to expand our operating capacity. While farmers delivered record crops in 2007, demand was even higher and grain inventories fell, as the rising world population insists on more and better food that requires much higher grain production. That requires more fertilizer, especially potash, and our company plans to provide it.

the role of governance

Long-term economic success requires accountable, transparent governance.

In 2007, PotashCorp's governance practices were ranked among the best in Canada by *Report on Business* magazine. We placed eighth among 270 companies on the Standard & Poor's/Toronto Stock Exchange's composite index, which measures performance, including board composition, compensation and shareholder rights.

Sustainability measurements such as safety and environmental performance are among the "pay for performance" factors that affect employees' compensation.

PotashCorp Direct Economic Impact

(\$ millions)	2007	2006	2005	2004	2003
Goods, Services and Materials Purchased	2,781.0	2,273.1	2,150.6	1,881.6	1,710.1
Employee Wages and Benefits	519.7	430.0	423.8	386.7	352.1
Costs Incurred to Providers of Capital	230.9	194.4	166.1	152.3	147.6
Taxes and Royalties Paid	507.1	236.2	430.1	250.6	100.5
Community Donations and Investments, Political Contributions	3.5	3.0	3.8	3.1	2.1

PotashCorp understands that the value it generates impacts our stakeholders. Local and international suppliers benefit from our operating and capital spending, our employees earn wages and benefits and the communities and nations where we do business receive taxes, royalties and corporate donations.

GOVERNANCE GOALS, TARGETS AND RESULTS

GOAL

To be a leader in corporate governance.

2007 TARGET

Remain in the top quartile of governance practices as measured by predetermined external reviews.

RESULTS

Achieved. Placed eighth among more than 270 S&P/TSX companies evaluated by *Report on Business*.

2008 TARGET

Remain in the top quartile of governance practices as measured by external reviews.

2007 TARGET

Survey annually each of our major external stakeholder groups and report the results to the board.

RESULTS

Achieved. Key stakeholder groups were surveyed in 2007, including investors, customers and community leaders.

2007 TARGET

Establish a network of Sustainability Coordinators representing each PotashCorp plant site to assist in advancing sustainability initiatives across the company.

RESULTS

Achieved. The Sustainability Coordinators have facilitated data gathering for the reporting process, and worked to advance the company's sustainability program at the plant sites.

mining local relationships sustains community

In 1967, Gary and Barb Porter started Standard Machine in Saskatoon, SK with just a small milling machine and a lathe. Today, the company has grown from two employees to more than 100, and is a full-service machine shop specializing in gear manufacturing.

"Because of our remote location, getting replacement gears could take up to a year. So we learned to do it ourselves. In Saskatchewan, businesses learn to innovate," explains Gary and Barb Porter's son, Greg Porter, now CEO & President of Standard Machine.

"PotashCorp has a reputation for working with local vendors. Our mutually beneficial relationship with PotashCorp spans yesterday, today and, I'm confident, tomorrow as well," he says. "They are growing here and we plan on growing right along with them."

Currently, PotashCorp has a multi-billion dollar capital improvement program under way to nearly double its potash capacity over the next eight years. The company plans to go from actual production of 9.2 million tonnes in 2007 to a potential of 17.2 million tonnes by 2015. More than 80 percent of the increased output will come from expansion of the company's Saskatchewan operations.

For Standard Machine, that meant a 25 percent increase in employees in the last five years, Porter said.



Standard Machine's Greg Porter.
Greg Bainbridge, Kien Mach, Menno Dyck
and R.M. (Ray) Hydromako

"We know we're affecting the local economy and we try to communicate our plans to local vendors so they can prepare to grow along with us," explains Clark Bailey, Vice President, Technical Services, PCS Potash. "We understand that every dollar we spend has ripples that reach further into the community, so we focus on local spending that is strategic to both the company and the economic sustainability of Saskatchewan."

"Greg and I both have adolescent children," explains Trevor Nixon, Vice President of Sales at Standard Machine. "This province used to be recognized only for agriculture. Now there's a shift and people are realizing the potential of the mining industry. Through its expansions, PotashCorp has demonstrated that the future is here."

The new career opportunities emerging with Saskatchewan's growing potash industry are very attractive to our young people. More than ever, there are good reasons to keep Saskatchewan as your home."



thinking global, buying local

PotashCorp and Standard Machine enjoy a long-term relationship — and that exemplifies another part of the PotashCorp philosophy.

We believe there is a competitive advantage in working with suppliers close to our plant sites and offices. That's why it is company policy that our procurement managers consider the benefits to the local economy as well as rapid access to goods and services when making a buying decision. Also taken into account are price and quality.

In 2007, our efforts to buy locally resulted in more than half of all purchased goods and services being sourced from nearby suppliers. Not included among these are raw materials, electricity and transportation, due to the nature of these commodities.

By supporting local businesses, PotashCorp creates a win-win situation. We benefit by having close proximity to high-quality goods and services. Local communities reap economic benefits from the dollars we spend, which create jobs and provide economic stability, as well as opportunities for more investment in the area.



Machinist Menno Dyck and one of Standard Machine's micrometers.

Local Purchasing

	2007	2006	2005	2004	2003
% of Total Purchases Made Locally*	58	62	61	60	52

*Excluding raw materials, electricity and transportation.
Source: PotashCorp

Goods, Materials and Services Purchased*

(\$ millions)	2007	2006	2005	2004	2003
Potash	717.5	573.1	394.8	357.7	307.7
Nitrogen	910.1	825.0	930.7	821.8	763.7
Phosphate	1,095.1	823.2	781.7	649.1	600.0
Corporate	58.3	51.8	43.4	53.0	38.7
Total	2,781.0	2,273.1	2,150.6	1,881.6	1,710.1

*The total value of goods, materials and services.
Source: PotashCorp

SUPPLIERS
GOALS, TARGETS AND RESULTS

GOAL
To promote sustainability with our business partners.

2007 TARGET

Continue to communicate our Safety, Health and Environmental expectations to all major suppliers and contractors.

RESULTS

Achieved. All major suppliers provided the company with a Code of Conduct or Certification of Business Principles demonstrating that they uphold our SHE expectations. All contractors are required to have a SHE orientation prior to beginning work on-site and are monitored for SHE performance. To further these efforts, the Corporate Service Provider document system went online in testing mode in September 2007.

2007 TARGET

Work on a multi-year effort with peer companies in the International Fertilizer Industry Association (IFA) to strengthen the global industry's ability to address key environmental issues, and to promote widespread adoption of sustainable business practices among the Association's members.

RESULTS

Achieved. PotashCorp advanced the adoption of sustainable business practices, including environmental issues, through IFA in 2007. The company's President and CEO maintained his leadership role in this effort as IFA Vice President for Sustainable Development. He will continue to serve in this position until May 2009.

2007 TARGET

Sustain or improve local purchasing levels.

RESULTS

Not Achieved. The percentage of purchases made locally was 58 percent, a decrease of 6.8 percent from 2006 levels. This was partially due to the potash expansions, which require materials and machinery not produced locally.

2008 TARGET

Achieve a local purchasing level of 60 percent, excluding purchases of energy, transportation and raw materials.

life lessons offered

alongside chemical engineering experience

"I RESPECTED THEM AND THEY SHOWED THEY
RESPECTED ME AS WELL." — CRYSTAL BLICKLEY

Charles Ellis, Crystal Blickley
and David Fernandez



To hear Crystal Blickley and David Fernandez tell it, a PotashCorp internship gives students skills they could never acquire in the classroom.

"The engineers I worked with at PotashCorp's Augusta, GA nitrogen plant made sure I was doing challenging work and not just observing them or helping out," said Fernandez, who is currently a fourth year chemical engineering student at Georgia Tech.

He and Blickley are among more than two dozen chemical engineering students to participate in the program since Augusta launched it in 1997. Each internship lasts two semesters and several students have completed more than one internship at the Augusta facility. The site partners with both Georgia Tech and Clemson universities on the program.

For a chemical engineering student, getting hands-on experience through an internship program is highly valuable. For PotashCorp, employee development, including development of prospective employees, is important to building and maintaining a top-notch workforce.

"The program pulls double duty," said Charles Ellis, Augusta's Engineering Manager. "It increases the value of the student's education with practical experience, and it allows the company to preview the young talent from the universities."

Blickley, a co-op student in 2004, gives PotashCorp credit for her successful post-graduation job search. She is now a manager with a major chemical company.

"When I was in Augusta, I observed a catalyst bed change out in my first semester, but in the second semester, I got to manage a similar project myself," said Blickley. "I did the calculations, created drawings, ensured safety precautions were taken ... everything. I used that experience on my resume and it was one of the first things I talked about in my interviews during my job search."

"Being given such a complex task, even though I was well-mentored, really let me know they wanted me to learn," Blickley said. "I respected them and they showed they respected me as well."

Students also learn more about the workplace than just engineering. The co-op program also focuses on communication skills, confidence building, ethical conduct and ensuring that safety is always the number one priority, said Ellis.

"It's the greatest feeling, actually contributing to the success of a project. It gives me a sense of self-worth," Fernandez added. "And PotashCorp is very open about safety and doing the right thing on the job. The first question in any meeting is 'What are we doing today, and are there any safety concerns or environmental issues?' Even as a co-op employee, I feel that I am part of the Augusta team."

creating career opportunities helps sustain a workforce

For the same reason that we ensure interns like Crystal Blickley and David Fernandez gain a wealth of experience during their time with PotashCorp, we strive to offer our employees opportunities for career growth within the company that provide satisfying new challenges and job fulfillment.

And that's no accident. We know that if this is to be a truly sustainable company, our employees must feel good about the jobs they currently hold and know they have future opportunities with us.

In 2007, we took steps to strengthen that culture.

We recognize that our company's success is largely attributable to the collective efforts of our dedicated employees. To enable them to share in PotashCorp's prosperity, we expanded the number of eligible participants in our short-term incentive program. There were 218 participants in 2005 and, effective in 2008, all of our more than 5,000 employees are participating in this performance-based program. We also held employee meetings to explain how all staff have a profound impact on PotashCorp's overall performance.

To help ensure we always have a pool of qualified internal candidates to choose from, we provided every employee with an average of 57 hours of training in 2007. We reimbursed employees for more than \$145,000 spent on tuition. These actions helped us to fill 85 percent of senior staff openings with internal candidates, exceeding our goal of 75 percent.

We also took steps to strengthen our diversity strategy in the communities where we do business. In Saskatchewan, we have reached out to the Aboriginal community through meetings and the establishment of an internship program. Our senior management and directors also received education on issues that affect Aboriginals in today's business climate.

And to ensure we continue to attract the best talent in the industry, we're using more targeted recruiting and a higher community profile to increase our visibility to a more diverse audience.

Blazing their Career Paths

We believe that employee opportunities at PotashCorp should be as wide-ranging as the businesses we are in. We reimburse tuition for classes that workers take to further their education and we encourage cross-training on the job, so employees can reach their full potential.

Felgenhauer,
Schlumpberger
and Xiang

"This job is the best thing that's ever happened in my career. They saw something in me that I didn't even recognize myself."

DANDAN XIANG

Dandan started as a Saskatoon-based IT programmer, and now she travels throughout Latin America as our International Sales Manager.

'00-'04: Information Technology
'04-'06: Market Research
'06-Present: International Sales

"This is a company that not only has room for you to move up, it provides you with the educational opportunities to give you a leg up."

MIKE SCHLUMBERGER

In 2005, Mike moved from positions of increasing responsibility in our White Springs and Aurora phosphate operations to supervise our Lanigan potash mine. The company is reimbursing Mike for his tuition as he pursues a graduate degree.

'91-'95: Phosphate Maintenance Engineer
'95-'00: Phosphate Production Engineer
'00-'03: Phosphate Mine Operations
'03-'05: Phosphate Mill Superintendent
'05-Present: Potash Mine General Superintendent

"It's a company that allows you to explore many disciplines. Through the opportunities provided, you gain a much broader view of the organization and how all the pieces need to fit together."

- BOB FELGENHAUER

From industrial sales, Bob moved to fertilizer sales, Vice President of Marketing and on to Vice President of Transportation and Distribution.

'82-'84: Product Supervisor Nitrogen
'84-'86: Product Mgr. Micronutrients
'86-'92: Territory Sales Manager
'92-'97: Manager National Accounts
'97-'00: Director Industrial Sales
'00-'03: VP Fertilizer Sales East
'03-'06: VP Marketing
'06-Present: VP Transportation and Distribution



EMPLOYEE TUITION REIMBURSEMENTS

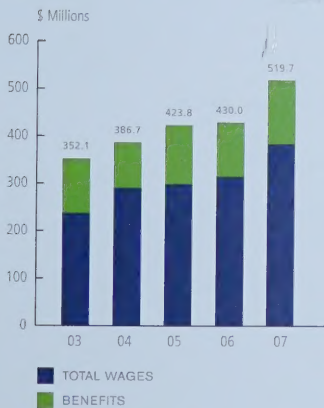
Country	Number of Employees Assisted	Total Disbursement (\$)
Canada	17	20,102
US	19	90,904
Trinidad	46	20,000
Brazil	6	15,419
Total	88	146,425

Source: PotashCorp

PotashCorp encourages employees to pursue additional education by providing tuition reimbursement.

EMPLOYEE WAGES & BENEFITS

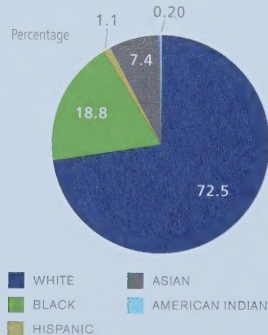
Wages and Benefits for Regular Workforce



Source: PotashCorp

EMPLOYEE DIVERSITY

Workforce Demographics at PotashCorp's US, Trinidad and Brazil Operations 2007



Source: PotashCorp

PotashCorp has made diversity efforts an integral part of its employee relations program in recent years.

COMPARISON OF ENTRY WAGE LEVELS TO LOCAL MINIMUM WAGE

(\$/hr)	US	Canada	Trinidad	Brazil
PotashCorp's Entry Level Wage	13.29-18.97	18.80-24.14	5.45	2.16
Local Minimum Wage	5.85-7.50	7.16-7.86	1.50	0.74
% Entry/Local	196-324%	263-307%	363%	292%

Source: PotashCorp

PotashCorp's efforts to attract the best available talent include providing competitive wages and benefits.

EMPLOYEE DEVELOPMENT
GOALS, TARGETS AND RESULTS

GOAL

To have motivated and productive employees committed to our long-term goals.

2007 TARGET

Fill at least 75 percent of senior staff openings with internal candidates.

RESULTS

Achieved. 85 percent of senior staff openings filled with internal candidates.

2008 TARGET

Fill at least 75 percent of senior staff openings with internal candidates.

2007 TARGET

Improve combined average employee engagement score, measured by survey, by 10 percent from 2006 levels.

RESULTS

Partially Achieved. The average score was improved by 3 percent.

2008 TARGET

Achieve an average employee engagement score that is in the top quartile as determined by the annual employee engagement survey.

2007 TARGET

Review current diversity initiatives and benchmark results against industry best practices to strengthen PotashCorp's diversity strategy.

RESULTS

Achieved. The company participated in training sessions for employers on engaging the Aboriginal workforce; initiated the Aboriginal Summer Internship Program; targeted specific opportunities to support Aboriginal community programs; and provided diversity training to employees.

2007 TARGET

Increase communication with employees to promote greater understanding of corporate financial goals and their relationship to incentive award targets; and increase employees' understanding of how their individual activities enable PotashCorp to achieve its goals and objectives.

RESULTS

Achieved. Training was held at every site explaining the specific corporate and site goals driving bonus payouts and describing individual actions that can help achieve them.

PotashCorp has its head office in Saskatoon, SK, a major corporate office in Northbrook, IL, and 18 production facilities in four countries.

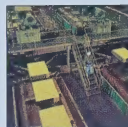
Potash



Allan



Cory



Lanigan

New
Brunswick

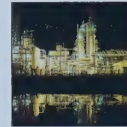
Patience Lake



Rocanville



Augusta



Geismar



Lima

Allan

General Delivery
Allan, SK S0K 0C0
Stewart Brown, General Manager

"With the completion of the debottlenecking project that was started in 2005 and changes in market demand for potash, production at Allan Division increased from approximately 1.0 million tonnes in 2006 to a record 1.7 million tonnes in 2007. In addition, we had the best safety performance in our 40-year history with no lost-time injuries."

— STEWART BROWN

Cory

Box 1320
Saskatoon, SK S7K 3N9
Kevin Coombs, General Manager

"The underground and surface operations achieved two years and three years respectively without a lost-time injury. A new safety improvement program was implemented and received full support from the employees, the local occupational health committee groups and the local union, as well as the USW international group."

— KEVIN COOMBS

Lanigan

Box 3100
Lanigan, SK S0K 2M0
Rob Bubnick, General Manager

"To prepare for new potash production, we hired 69 new employees and promoted 19 employees internally to fill positions of skilled tradesmen and mining engineers."

— ROB BUBNICK

New Brunswick

Box 5039
Sussex, NB E4E 5L2
Mark Fracchia, General Manager

"We're very proud that our employees were able to achieve a full year without a lost-time injury, because of their dedication to safety."

— MARK FRACCHIA

Patience Lake

Box 509
Saskatoon, SK S7K 3L9
James Couch, General Manager

"Production increased from 0.190 million tonnes produced in 2006 to 0.257 million tonnes of potash produced in 2007, due to fewer inventory adjustment days and a return of normal winter temperatures during the 2007/2008 winter season."

— JAMES COUCH

Rocanville

Box 460
Rocanville, SK S0A 3L0
Stephen J. Fortney, General Manager

"It's been a busy year for our potash operations. In addition to several safety initiatives which were implemented, our production increased from 1.9 million tonnes in 2006 to 2.7 million tonnes of potash in 2007."

— STEPHEN J. FORTNEY

Nitrogen

Augusta

23 Columbia Nitrogen Road
Augusta, GA 30901
Warren Stroman, General Manager

"Our site achieved a 1.5 recordable injury rate in 2007 as compared to a three-year average of 2.4 injury rate for the nitrogen industry. This better-than-average rate is a direct result of the dedication our personnel demonstrate toward the safety process at the site."

— WARREN STROMAN

Geismar

Box 307
Geismar, LA 70734
Hanson Leonard, General Manager

"We completed the year without a lost-time or a recordable injury. This is due to the Geismar plant's continued safety awareness and communication with employees and contract employees, and continued employee involvement in the site's safety process."

— HANSON LEONARD

Lima

1900 Fort Amanda Road
Lima, OH 45805
Don Johnson, General Manager

"As of January 1, 2008, PotashCorp assumed operating responsibility for its nitrogen facility at Lima, OH and maintained safe, reliable production throughout the nine-month transition period."

— DON JOHNSON*

*Don Johnson will be retiring effective July 18, 2008. Todd Sutton has been named the new General Manager.

Phosphate



Trinidad



Aurora



White Springs



Joplin



Marseilles

Weeping
Water

Cincinnati

Fosfatos do
Brasil

Savannah

Trinidad

Atlantic Avenue, P.O. Bag 201
Point Lisas, Couva, Trinidad, West Indies
Ian E. Welch, Managing Director

"Great safety results don't happen by chance, but by the combined efforts of dedicated, well-trained and innovative people. This is how we were able to achieve on February 22, 2008 seven million hours worked without a lost-time injury."

— IAN E. WELCH

Aurora

1530 Hwy 306 South
Aurora, NC 27806
Richard Atwood, General Manager

"Aurora participates in a behavior-based safety process. Since the process began in 2003, the number of safety observations has reached 40,000. This process emphasizes peer-on-peer safety observations and results in agreement among workers to work safely. The site also was recognized by the North Carolina Department of Labor with 18 awards for safety in 2007. These accomplishments are attributed to our dedicated employees working towards an injury-free environment."

— RICHARD ATWOOD

White Springs

Box 300, 15843 Southeast 78th Street
White Springs, FL 32096
Keith Thornton, General Manager

"White Springs was selected as the 2007 Soil Steward of the Year by the Southeast Agricultural Coalition due to its commitment to quality reclamation and best management practices in reclamation and land use. In the past 10 years, our plant has reclaimed 7,689 acres — over 1,300 more acres than mined in the same period."

— KEITH THORNTON

Joplin

Box 225, 301 State Line Avenue
Joplin, MO 64802
Paul Shoup, Operations Manager

"We are very proud that Joplin employees have completed six years without a lost-time injury and 35 months without a recordable injury."

— PAUL SHOUP*

*Paul Shoup will be retiring effective June 30, 2008. Doug Engel has been named the new Operations Manager.

Marseilles

2660 East US Route 6
Marseilles, IL 61341
Bob Startzer, Operations Manager

"The Marseilles employees completed the year without a lost-time injury. Behavior-based safety observations are at the core of our safety program. All maintenance and production employees perform safety observations. The site's leadership team participated in additional safety, environmental and leadership training."

— BOB STARTZER

Weeping Water

Box 171
Weeping Water, NE 68463
William Donohue, Operations Manager

"Several safety measures were undertaken at Weeping Water, including forming a safety data team to evaluate data and share the information with employees. In addition, all employees were trained on use of the automated external defibrillators, which were purchased and placed throughout the facility."

— WILLIAM DONOHUE

Cincinnati

10818 Paddy's Run Road
Harrison, OH 45030
Jack Sullivan, Plant Manager

"Our emphasis was placed upon existing safety programs and revisions to key safety procedures. As a result, we finished the year with zero recordable injuries for 2007."

— JACK SULLIVAN

Fosfatos do Brasil

Rod. Padre Manoel da Nóbrega KM 286,400
Samarita São Vicente SP CEP 11301-970, Brasil
H. Sonny Fernandes, General Manager

"Employees at the Fosfatos do Brasil plant worked together to ensure the revision and renewal of the Risk Management Program and Emergency Action Plan. We also completed 535 days of work without a lost-time injury."

— H. SONNY FERNANDES

Savannah

Gate 5, Georgia Port Authority
Garden City, GA 31408
Thomas Tipton, General Manager

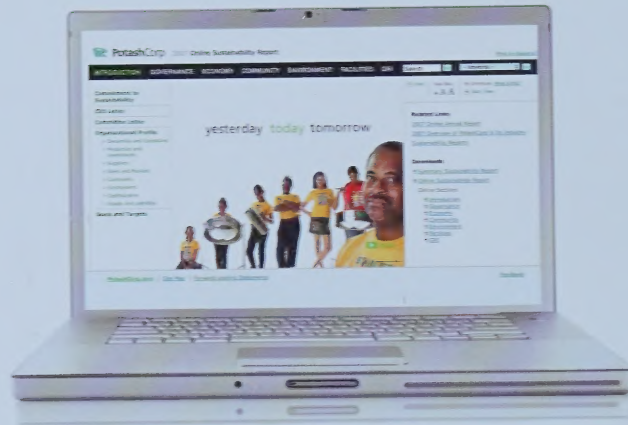
"Our plant in Savannah, GA is proud to have maintained its Voluntary Protection Program Star status with the US Department of Labor's Occupational Safety & Health Administration (OSHA)."

— THOMAS TIPTON



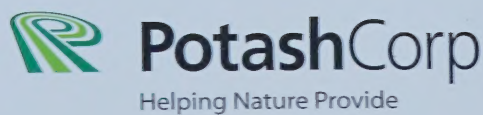
A comprehensive look at each production facility's sustainability performance may be found in the Facilities Section of the online report.

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Suite 500, 122 - 1st Avenue South
Saskatoon, SK, Canada S7K 7G3